

Declaration and Bylaws of the North Canyon Condominiums



Introduction

This document is composed of three main sections.

- A “Readers’ Digest” version of both the Declarations and the Bylaws
- An amended version of both the Declarations and Bylaws
- An original version of both the Declaration and Bylaws

The Readers’ Digest version is my personal view on what is important and interesting. The edits, omissions, and inclusions reflect my own personal idiosyncrasies (and what I had for dinner last night). I think it is a good overview, but if one is making a technical deliberation then read the amended version of the Declaration and Bylaws

The amended version has been edited to incorporate all amendments to date. In this way, the text can be read without need to refer to the amendments. I note whether any section has been amended and which amendment is applicable for reference purposes. Amendments 4,5, and 6 were written in a fashion which expresses their intent, but not the actual language they wish to use. Therefore, I used my own language to express this intent in the amended version

The original version of the Declaration and Bylaws is a duplicate of the original document and all attached amendments with the following exceptions:

- Fonts and formatting were changed to assist reading.
- Spelling mistakes were corrected.
- The index was removed as the page numbers no longer correspond to the new format.
- Legal stamps and page numbers (which don’t affect the text of the document) were removed.

All parts of this document are based on a scan of the original text document. While my optical character recognition software is fairly accurate, it is not infallible. I have tried to edit out the obvious errors, but if you read something that looks strange, the original text document is the best source for reference.

I would like to thank the people at ScanSoft for their marvelous OmniPage Pro 14 software, which saved me many hours of typing. I would also like to thank the Microsoft programmer who developed the hyperlink ability in MSWord while noting that the programmer of the auto-bullet/number system should burn in hell.

Troy Scotter

Board Member 2004

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Readers' Digest Declaration

Section I - Definitions

8. Common Areas and Facilities or Common Areas shall mean and refer to, and include:

(a) The real property and interests in real property which this Declaration submits to the terms of the Act, but excluding the Units.

(b) Those areas specifically set forth and designated in the Map as "Common Ownership", "Common Areas" or "Limited Common Area".

(c) All foundations, columns, girders, beams, supports, perimeter walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, recreational areas and facilities, yards, gardens, fences, service and parking areas (other than assigned parking stalls), entrances and exits, storage spaces (other than assigned storage spaces), and in general all other apparatus, installations and other parts of the Property necessary or convenient to the existence, maintenance and safety of the Common Areas and Facilities or normally in common use.

(d) The Project landscaping, fences, roads, sidewalks and open parking areas.

(e) All installations for and all equipment connected with the furnishing of Project utility services such as electricity, gas, water and sewer.

(f) All portions of the Project not specifically included within the individual Units.

(g) All other parts of the Project normally in common use or necessary or convenient to its use, existence, maintenance, safety or management; except to the extent otherwise expressly provided in this Declaration.

9. Limited Common Areas and Facilities or Limited Common Area Any balconies, porches, parking stalls, or storage facilities that are identified on the Survey Map with the same number or other designation by which a Unit is identified shall be Limited Common Areas for the exclusive use of the Owner of the Unit bearing the same number or designation.

10. Condominium Unit or Unit means and refers to a separate physical part of the Property intended for independent use, consisting of rooms or spaces located in the Building Units are shown on the Map by single cross-hatching. Mechanical equipment and appurtenances located within any one Unit or located without said Unit and designated and designed to serve only the Unit, such as appliances, electrical receptacles and outlets, air conditioners, and related apparatus, fixtures and the like, shall be considered part of the Unit as shall all decorated interiors, all surfaces of interior and internal walls, floors and ceilings, windows and window frames, door and door frames, and trim, consisting of inter alia and as in situate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits, or other public

utility lines or installations constituting a part of the Unit and serving only the Unit, and other structural members or any other property of any kind, including fixtures and appliances within any unit, which are removable without jeopardizing the soundness, safety or usefulness of the remainder of the Building shall be considered part of the Unit. A Unit shall not include pipes, wires, conduits or other utility lines running through it which are used for or which serve more than one Unit, and shall not include any load—bearing walls or floors comprising a basic part of the building.

Section III. - Covenants, Conditions And Restrictions

The foregoing submission of the land is made upon and under the following covenants, conditions and restrictions which shall not be applicable to the expandable land:

3. 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 constitute in general all of the parts of the property 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) All structural parts of the building including, without limitation, foundations, columns, joists, beams, supports, supporting walls, floors, ceilings, roofs and elevators;
- (b) Driveways, parking areas, lawns, shrubs, gardens, entrance ways, stairways and courts, lobbies and recreational areas;
- (c) Any utility pipe or line or system servicing more than a single Unit, and all ducts, wires, conduits, and other accessories used therewith;
- (d) All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities in the Map;
- (e) The Limited Common Areas and Facilities herein described; and
- (f) All repairs and replacements to any of the foregoing.

8. Restrictions on Use

(a) Each of the condominium Units shall be occupied by the Unit Owner, his family, servants or guests as a private residence and for no other purpose.

(c) The use of the Common Areas shall be limited to Unit owners in residence and to their tenants in residence, and to their guests, invitees, tenants, lessees and/or licensees.

(d) Each Unit Owner shall keep his parking space and storage space in a clean and orderly condition.

(e) Don't do anything stupid. No activities shall be carried on which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project. No smoking.

(f) No owner shall violate the rules and regulations regarding the use of the Units and of the Common Areas as adopted from time to time by the Management Committee.

(g) No structural alterations to any Unit shall be made by any Owner without the prior written consent of the Committee.

(h) No awnings, window guards, aerials, name plates, shades, reflective window coatings, signs, flags, or advertising whatsoever, including but not limited to "For Sale" or "For Rent" signs, commercial, political, informational or directional signs or devices shall be erected or maintained in the Common Areas or in or on the Units so as to be observable from the Common Areas.

(p) No Unit Owner shall be permitted to lease his Unit for transient or hotel purposes, which means that the initial term of any lease shall be at least six (6) months and no Unit Owner may lease less than the entire Unit.

(q) No animals of any kind are to be raised, bred or kept in any Unit or in the Common Areas or Limited Common Areas.

14. Access for Repair of Common Areas. Some of the Common Areas are or may be located so that they may be conveniently accessible only through a Unit or Units. The Owners of the other Units shall have the irrevocable right, to be exercised by the Committee as agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance of and/or replacement of any of the Common Areas located therein necessary to prevent damage to the Common Areas or to another Unit or Units. The Committee shall also have such rights independent of the agency of Ownership.

17. Easement for Declarant and for Utility Services. There is hereby reserved and created a blanket easement upon, across, over and under all the Units for ingress, egress, installation, replacing, repairing, and maintaining all utilities, including, but not limited to, water, sewers, gas, telephone, electricity, and other utility services.

20. Status and General Authority of Association. The Association shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including the Common Facilities), and shall keep the same in a good, clean, attractive, safe, and sanitary condition, order, and repair; provided, however that each Owner shall keep the Limited Common Areas designated for use in connection with his Unit, if any, in a good, clean, safe, sanitary, and attractive condition. The Association shall be responsible for the maintenance and repair of the exterior of the Building and the grounds, including without limitation painting thereof, repair and replacement of exterior trim and roofs, and maintenance, repair, and replacement of landscaping, walkways, driveways, and parking areas. The Association shall also be responsible for maintenance, repair and replacement of Common Areas within the Building, including without limitation hallways, elevators, utility lines, Common Facilities and all improvements and other items located within or used in

connection with the Common Areas.

(a) Each Owner shall be entitled and required to be a Member of the Association; Membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. No person or entity other than an Owner may be a Member of the Association, and Membership in the Association may not be transferred except in connection with the transfer of a Unit

(g) The Association may make reasonable Rules and Regulations governing the use of the Units, the Common Areas, the Limited Common Areas, and all parts and duties established by this Declaration. The Association may take judicial action against any Owner to enforce compliance.

21 Status and General Authority of Committee. The Condominium Project shall be managed, operated and maintained by the Management Committee. The Management Committee shall have, and is hereby granted, the following authority and powers:

(a) The power and authority to enter upon any Condominium Unit to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Project.

(j) The power and authority to borrow money, provided that no indebtedness for borrowed funds shall exceed at any given time the sum of \$3,000.00 without the prior vote or approval of the Association at a meeting duly called and convened at which a quorum is present

(l) The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions as agent of the Association and the Unit Owners.

23 Manager. The Committee shall carry out its functions which are capable of delegation through a Manager. The Manager retained for such purposes shall be an individual, organization or entity experienced and qualified in the field of property management. The Manager so engaged shall be responsible for managing the Project for the benefit of the Unit Owners and shall, to the extent permitted by Law and the terms of the agreement with the Committee, be authorized to perform the functions or acts required or permitted to be performed by the Management Committee itself. The intended nature of this Project is such that a Professional manager is absolutely essential to its successful operation. Any contract with such a manager shall not exceed a term of three (3) years and shall also provide that either party may terminate the Agreement, with or without cause, and without payment of any termination fee, upon thirty (30) days written notice

24 Composition of Management Committee. The Committee shall be composed of five members. At each annual meeting of the Association, any vacant seat on the Committee shall be filled with a member elected for a three-year term. Only Unit Owners and officers and agents of owners other than individuals shall be eligible for Committee membership

25. Agreement to Pay Assessment. Declarant for each Unit owned by it within the Project, hereby covenants, and each Owner of any Unit by the acceptance of a deed therefor, whether or not it be so expressed in the deed, or by entering into a sale and purchase contract, shall be deemed to covenant and agree with each other and with the Association to pay to the Association annual assessments made by the Association for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article. Provided, however, that until a Unit owned by Declarant has been both fully improved with all utilities installed and occupied for the first time in accordance with Section 7 B (a) herein, the monthly assessment applicable to such Unit shall be ten (10%) percent of the monthly assessment fixed for other units.

(a) Amount of Total Annual Assessments. The total annual assessments against all Units shall be based upon advanced estimates of cash requirements by the Committee to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas. The Committee shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Areas and Facilities and those Limited Common Areas which the Committee is obligated to maintain.

29 Capital Improvements. Additions or capital improvements to the Project which cost no more than \$2,500.00 may be authorized by the Management Committee alone. Additions or capital improvements the cost of which will exceed such amount must, prior to being constructed or accomplished, be authorized by at least a majority of the undivided ownership interest.

30 Hazard Insurance. The Management Committee or association of Unit Owners shall at all times maintain in force, and pay the premiums for, hazard insurance meeting the following requirements:

(a) A "master" or "blanket" type policy of property insurance shall be maintained covering the entire Project,

31. Fidelity Bonds. The Management Committee or the Association of Unit Owners shall at all times maintain in force and pay the premiums for, "blanket" fidelity bonds for all officers, members, and employees of the Committee and the Association and for all other persons handling or responsible for funds of or administered by the Committee or the Association.

Liability Insurance. The Management Committee or Association of Unit Owners shall maintain in force, and pay the premium for, a policy providing comprehensive general liability insurance coverage covering all of the Common Areas and Facilities, public ways in the Project, if any, the parking facilities, and any and all Common Areas owned and maintained by the Association or the Committee. The coverage limits under such policy shall be in amounts generally required by private institutional Mortgage investors for condominium projects similar to the Project in construction, location, and use. Nevertheless, such coverage shall be for at least One Million Dollars (\$1,000,000.00) for bodily injury, including deaths of persons and property damage arising out of a single occurrence

34. Owner's Own Insurance. Each Unit Owner, at his own expense, shall produce and maintain at all times fire and extended coverage insurance covering all personal property, including but not limited to, vehicles, furnishings, furniture, appliances, personal equipment, tools, clothing, books, computers, and personal items, against loss by fire and other casualties, including without limitation vandalism and malicious mischief, in an amount equal to at least eighty percent (80%) of the full replacement value thereof.

37. Amendment. Except as hereinafter provided, the vote of at least seventy-five (75%) percent of the Percentage Interest of the Unit Owners in person or represented by proxy at a meeting of the Association at which a quorum is present shall be required to amend the Declaration or the Map.

38. Consent in Lieu of Vote. In any case in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided interest for authorization or approval of an act or a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the stated percentage of undivided ownership interest.

52. Financial Examination. Any Owner may at any reasonable time, upon appointment, and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association. The Association, at the expense of the Common Expense Fund, shall obtain an appropriate annual examination of the books and records of the project by a qualified independent expert, selected by the Board of Directors.

Readers' Digest Bylaws

Article II - Association

2. Voting. Since the proportionable percentage interest of all the Units in the Project are nearly identical, each Unit has one (1) vote.

4. Annual Meeting. The annual meeting of the Association shall be held on the first Tuesday in October of each year. At least ten (10) days but not more than thirty (30) days delivered or mailed postage prepaid to each person appearing in the records of the Committee at the time of delivery or mailing. Such notice shall state the time, place, and general purpose of the meeting.

7. Voting Requirements. An Owner shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of the Association if, and only if, he shall have fully paid all due installments or assessments made or levied against him and his Unit.

8. Proxies. The vote appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of all such persons. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy, and must be filed with the Secretary not less than three (3) days before the meeting.

Quorum. Fifty-one (51%) of the percentage interest shall constitute a quorum for the adoption of decisions.

Article III - Management Committee

5. Regular Meetings. Regular meetings of the Committee may be held at such time and place as shall be determined, from time to time, by a majority of the Committee, but at least six (6) such meetings shall be held during each fiscal year after the first annual meeting of the Association. Notice of regular meetings of the Committee shall be given to each member, personally, by mail or by telephone, at least three (3) business days prior to the day named for such meeting.

6. Special Meetings. Special meetings of the Committee may be called by the Chairman on three (3) business days notice to each member. Such notice shall be given personally, by mail or by telephone, and such notice shall state the time, place and purpose of the meeting. Special meetings of the Committee shall be called by the Chairman or Secretary in like manner and on like notice on the written request of at least two (2) Committeemen.

8. Committee's Quorum. At all meetings of the Committee, a majority of the Committeemen shall constitute a quorum for the transaction of business, and the acts of the

majority of the Committeemen present at a meeting at which a quorum is present shall be the acts of the Committee.

9 Vacancies. Vacancies in the Committee caused by any reason other than removal of a Committeeman by a vote of the Association shall be filled by vote of the majority of the remaining Committeemen, at a special meeting of the Committee held for that purpose promptly after the occurrence of any such vacancy until a successor is elected at the next annual meeting of the Association; provided, however:

Article IV

1. Designation. The principal officers of the Condominium shall be a Chairman, a Vice-Chairman, a Secretary and a Treasurer, all of whom shall be elected by the Committee. The Committee may appoint assistant secretaries and other such officers as in its judgment may be necessary. With the exception of the Chairman, no officer need be a member of the Committee. Two or more offices may be held by the same person, except that the Chairman shall not hold any other office.

4. Chairman. The Chairman shall be the chief executive officer; he shall preside at meetings of the Association and the Committee and shall be an ex officio member of all committees; he shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Committee are carried into effect. He shall have all of the general powers and duties which are usually vested in or incident to the office of president of a stock corporation organized under the laws of the State of Utah

5. Vice-Chairman. The Vice-Chairman shall, in the absence or disability of the Chairman, perform the duties and exercise the powers of the Chairman, and shall perform such other duties as the Committee or the Chairman shall prescribe. If neither the Chairman or Vice-Chairman is able to act, the Committee shall appoint a member of the Committee to do so on an interim basis.

6. Secretary. The Secretary shall attend all sessions of the Committee and all meetings of the Association and record all votes and the minutes of all proceedings in a book to be kept by him for that purpose and shall perform like duties for committees when required. He shall give, or cause to be given, notice of all meetings of the Association, the Committee and committees and shall perform such other duties as may be prescribed by the Committee. The Secretary shall compile and keep current at the principal office of the Condominium, a complete list of the Owners and their last known post office addresses. This list shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the minute book of the Association, containing the minutes of all annual and special meetings of the Association and all sessions of the Committee, including resolutions.

7. Treasurer. The Treasurer shall have the custody of all funds and securities that are not under the control of the Managing Agent, and, with the assistance of the Managing Agent, shall keep full and accurate records of receipts and disbursements, shall prepare all required financial data, and shall deposit all moneys and other valuable effects in such depositories as

may be designated by the Committee. He shall disburse funds as ordered by the Committee, making proper vouchers for such disbursements, and shall render to the Chairman and Committeemen, at the regular meetings of the Committee, or whenever they may require, an account of all of his transactions as Treasurer and of the financial condition of the Project.

8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Project for expenditures or obligations shall be executed by any two officers of the Committee or by such other person or persons as may be designated by the Committee.

9. Compensation of the Officers. No officer shall receive any compensation from the Committee for acting as such.

Article VI - Amendment To Bylaws

1. Amendments. Except as otherwise provided in this Section, these Bylaws may be modified or amended either (i) by a vote of at least fifty-one percent (51%) of the Percentage Interest at any regular or special meeting of the Association at which a quorum is present.

Amended Declaration

OF CONDOMINIUM OF NORTH CANYON CONDOMINIUMS

A CONDOMINIUM PROJECT

Note: This material has been modified according to the approved amendments to the declarations. The original text is contained at the end of this document.

THIS DECLARATION, containing covenants, conditions and restrictions relating to North Canyon Condominiums, a Condominium Project, is made on the date set forth at the end hereof by Campus Development Inc., a Utah Corporation, hereinafter called "Declarant", for itself, its successors, grantees and assigns pursuant to the Condominium Ownership Act of the State of Utah.

Recitals:

A. Declarant is the record owner of that certain real property (the land) in Utah County, Utah, and more particularly described as follows:

Commencing at a point on the east right-of-way line of Provo Canyon Road (150 East St.) As extended, which beginning point is north 956 47 feet and east 270 14 feet (based on Utah state plane coordinate system, Utah central zone) from the southwest corner of section 20, T6S, R3E, S.L.B. § M, thence along the east right of way of Provo Canyon Road NOO degrees 30' 15"E 137.79 feet; thence N86 degrees 16' 21"E 64 96 feet; thence S 89 degrees 47'59" E 90.93 feet; thence N85 degrees 34'37" E 74.88; thence N89 degrees 31'17"E along an old fence 143 49 feet; thence 900 degrees 05' 45" W 175.21 feet to the new right-of-way line of 2230 North Street; thence S86 degrees 45' 29"W along the new north right-of-way line of said 2230 North Street (said new north right-of-wayline is parallel with an 60' North of the north edge of an existing concrete sidewalk) 25.85 feet; thence continuing along the north right-of-way line of said 2230 North Street N89 degrees 51'45"W 322.07 feet; thence along the arc of a 27.00 foot radius curve to the right 42.58 feet (CHD. Bears degrees N44 40'45"W 38 31 feet) to the point of beginning. Area = 1.475 acres

B. Declarant is the record owner subject to a life estate, of that certain real property the "additional land" or "expandable land") in Utah County, Utah, and more particularly described as follows:

Commencing at a point on the north right-of-way line of 2230 North Street which beginning point is north 929 92 feet and east 644 96 feet from the S W corner of Section 30, T6S, R3E, S.L.B. § M, thence NOO degrees 05' 45" W 175.21 feet; thence N89 degrees 31'17"E along an old fence 92 45 feet to a fence corner; thence SOO degrees 48'41"E 170.61 feet; thence S86 degrees 45' 29" W along the North boundary of 2230 North Street 95.31 feet to the point of beginning. Area = 0.372 acre. Basis of bearing - Utah state plane coordinate system (Utah central zone)

The above described additional land area is not included in the condominium project, however, it may at a later time be included in the condominium project in accordance with this Declaration, amendments to this declaration and applicable statutes.

C. Various improvements have been and will be made to the land so as to enable its use and operation as a Condominium Project. The construction of all such improvements have been and will be performed in accordance with the information contained in the Record of Survey Map, consisting of three (3) sheets, incorporated herein by reference, and recorded simultaneously herewith, and in this Declaration.

D. Various improvements may be made to the expandable land area. The Declarant reserves herein an option to withdraw said expandable land or to include said land and to create additional units, common areas, limited common areas and facilities within the expandable land area.

E. Declarant desires, by filing this Declaration and the Record of Survey Map, to submit the land, except the additional land, and all improvements now or hereafter constructed thereon to the provisions of the Utah Condominium Ownership Act as a Condominium Project to be known as "North Canyon Condominium Project"

F. Declarant intends to sell and convey to various purchasers the fee title to the individual Units that will be contained in the Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant to such Units, subject to the covenants, restrictions and limitations herein set forth.

NOW, THEREFORE, for the foregoing purposes, the Declarant hereby makes the following Declaration containing covenants, conditions and restrictions relating to this Condominium Project which, pursuant to the provisions of the Condominium Ownership Act of the State of Utah, shall be enforceable equitable servitudes, where reasonable, and shall run with the land.

Section I. - Definitions

When used in this Declaration (including in that portion hereof headed "Recitals", and including all exhibits) the following terms shall have the meaning indicated. Any term used herein which is defined by the Act shall, to the extent permitted by the context hereof, have the meaning ascribed by the Act.

11. Act shall mean and refer to the Utah Condominium Ownership Act (Sections 57-8-1 through 57-8-36, Utah Code Annotated, 1953), as amended and expanded by Laws of Utah 1975, chapter 173, sections 1 through 20.

12. Declaration shall mean and refer to this instrument by which North Canyon Condominiums, a Condominium Project, are established and as the same may hereafter be modified, amended, supplemented or expanded in accordance with law and the provisions hereof.

13. Declarant shall mean and refer to Campus Development Inc., a Utah Corporation,

who has made and executed this Declaration, and/or its successor or assigns which, by either operation of law or through a voluntary conveyance, transfer or assignment, comes to stand in the same relation to the Project as did its predecessor.

14. Record of Survey Map, Survey Map or Map shall mean and refer to the Record of Survey Map filed as Exhibit "C" herewith, executed and acknowledged by the Declarant as the same may hereafter be modified, amended, or expanded in accordance with law and the provisions of this Declaration.

15. Property shall mean and refer to the Land set forth in Recital "A", the buildings all improvements and the structures thereon and all easements, property intended for use in connection therewith. The Property shall be known as "North Canyon Condominiums".

16. Expandable Property shall mean and refer to the *additional land set forth in Recital "B", the buildings all improvements and the structures thereon and all easements and property intended for use in connection therewith.* The expandable Property, if and when included in the project, shall be known as "North Canyon Condominiums."

17. Management Committee or Committee shall mean and refer to the committee as provided in the Declaration and the By-Laws hereto attached as Exhibit "B" (which By-Laws are hereby incorporated by reference and made a part of this Declaration) and shall be the same as the Governing Board of the Association as provided in the Utah Nonprofit Corporation and Cooperative Association Act. Said Committee is charged with and shall have the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Project

18. Common Areas and Facilities or Common Areas shall mean and refer to, and include:

(a) The real property and interests in real property which this Declaration submits to the terms of the Act, but excluding the Units.

(h) Those areas specifically set forth and designated in the Map as "Common Ownership", "Common Areas" or "Limited Common Area".

(i) All foundations, columns, girders, beams, supports, perimeter walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, recreational areas and facilities, yards, gardens, fences, service and parking areas (other than assigned parking stalls), entrances and exits, storage spaces (other than assigned storage spaces), and in general all other apparatus, installations and other parts of the Property necessary or convenient to the existence, maintenance and safety of the Common Areas and Facilities or normally in common use

(j) The Project landscaping, fences, roads, sidewalks and open parking areas.

(k) All installations for and all equipment connected with the furnishing of Project utility services such as electricity, gas, water and sewer

(l) All portions of the Project not specifically included within the individual

Units.

(m) All other parts of the Project normally in common use or necessary or convenient to its use, existence, maintenance, safety or management; except to the extent otherwise expressly provided in this Declaration.

(n) All Common Areas as defined in the Act, whether or not enumerated herein.

(o) All expandable or additional land is specifically excluded from the common areas.

9. Limited Common Areas and Facilities or Limited Common Area shall mean and refer to those Common Areas and Facilities designated herein or on the Survey Map as reserved for the use of certain specific Units to the exclusion of the other Units. Structural separations between Units or the space which would be occupied by such structural separations may become Limited Common Areas for the exclusive usage of the Owner or Owners of the Units on either side thereof as hereinafter provided. Any balconies, porches, parking stalls, or storage facilities that are identified on the Survey Map with the same number or other designation by which a Unit is identified shall be Limited Common Areas for the exclusive use of the Owner of the Unit bearing the same number or designation.

10. Condominium Unit or Unit means and refers to a separate physical part of the Property intended for independent use, consisting of rooms or spaces located in the Building. Units are shown on the Map by single cross-hatching. Mechanical equipment and appurtenances located within any one Unit or located without said Unit and designated and designed to serve only the Unit, such as appliances, electrical receptacles and outlets, air conditioners, and related apparatus, fixtures and the like, shall be considered part of the Unit as shall all decorated interiors, all surfaces of interior and internal walls, floors and ceilings, windows and window frames, door and door frames, and trim, consisting of inter alia and as in situate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits, or other public utility lines or installations constituting a part of the Unit and serving only the Unit, and other structural members or any other property of any kind, including fixtures and appliances within any unit, which are removable without jeopardizing the soundness, safety or usefulness of the remainder of the Building shall be considered part of the Unit. A Unit shall not include pipes, wires, conduits or other utility lines running through it which are used for or which serve more than one Unit, and shall not include any load-bearing walls or floors comprising a basic part of the building.

11. Building shall mean and refer to the structure of a total of five (5) stories containing or to contain 48 Units.

12. Unit Designation shall mean and refer to the number, letter or combination thereof which designates a Unit as set forth in the attached Exhibit "A" and on the Record of Survey Map (Exhibit "C").

13. Unit Owner or Owner shall mean and refer to the owner of a fee or an undivided fee interest in a Unit as recorded in the office of the Recorder, Utah County, Utah, and the percentage of undivided interest in the Common Areas which is appertenant thereto whether the

owner is an individual, corporation or unincorporated association. The Declarant shall be deemed the owner of all unsold Units. The term "Owner" shall not refer to any Mortgagee, unless such Mortgagee has acquired title for other than security purposes, or to any person or persons purchasing a Unit under contract, until such contract is fully performed and legal title conveyed of record. Provided, however, that in the event a Unit is the subject of an executory contract sale, the contract purchaser shall, upon notice to the Committee by the purchaser, unless the seller and the purchaser have otherwise agreed and have informed the Committee in writing of such agreement, be considered the Unit Owner for purposes of voting and Committee membership. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term Unit Owner or Owner shall not mean to include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such a party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

14. Common Expenses shall mean and refer to all sums which are expended on behalf of all the Unit Owners and all sums which are required by the Management Committee to perform or exercise its functions, duties or rights under the Act, this Declaration, the Management Agreement for operation of the Project, and such rules and regulations as the Management Committee may from time to time make and adopt. By way of illustration but not limitation, Common Expenses shall include: (i) expenses of administration, maintenance, operation, repair and replacement of those elements of the Common Areas that must be maintained and/or replaced on a periodic basis and reserves as may be from time to time established by the Committee; (ii) expenses agreed upon by the Association or the Committee and lawfully assessed against the Unit Owners in accordance with the Declaration; (iii) expenses declared to be Common Expenses by the Act or by this Declaration or the By-Laws; and (iv) any valid charge against the Project as a whole.

15. Association of Unit Owners or Association shall mean and refer to all of the Owners taken as or acting as a group. The Association shall be known as "North Canyon Condominium Homeowners Association" and shall be a non-profit corporation organized or to be organized under the laws of the state of Utah.

16. Condominium Project or Project shall mean and refer to The North Canyon Condominium Project.

17. Land shall mean and refer to and consist of the real property which Article II (1) of this Declaration submits to the terms of the Act.

18. Additional land shall mean and refer to and consist of the real property described in Recital B above, but reserved from submission to this Declaration.

19. Mortgage shall mean and refer to both a first mortgage and a first trust deed or other first security instrument by which a Unit or any part thereof is encumbered.

20. Mortgagee shall mean and refer to both a mortgagee under a first mortgage on any Unit and a beneficiary under a first trust deed on any Unit, or beneficiary under another first security instrument, or any successor in interest.

21. Condominium shall mean and refer to the ownership of a single Unit in this

Condominium Project together with an undivided interest in the Common Areas and Facilities of the Property.

22. Condominium Project or sometimes the Project shall mean and refer to the entire property, as defined above, together with all rights, obligations and organizations established by this Declaration.

23. Utility Services shall include, but not be limited to, electric power, gas, hot or cold water.

24. Supplementary Declaration shall mean and refer to any supplementary declaration of covenants, conditions and restrictions or similar instrument

25. Percentage Interest shall mean and refer to any undivided percentage interest of each Unit Owner in the Common Areas at any point in time

26. Par Value shall mean and refer to a number of points assigned to each unit by the Declaration. Substantially identical units shall be assigned the same par value, but Units located at substantially different heights above the ground, or having substantially different views, or having substantially different other characteristics that might result in differences in market value, but need not, be considered substantially identical within the meaning of this subsection.

27. Size shall mean and refer to the number of square feet of floor space within each unit as computed by reference to the Record of Survey Map and rounded off to a whole number.

28. Common Expense Fund shall mean the fund created or to be created pursuant to the provisions of this Declaration and into which monies of the Association shall be deposited.

29. Total Votes of the Association shall mean the total number of votes appertaining to all Units in the Project, as shown in Exhibit 'A', attached

30. Manager shall mean the person, persons, firm, or company designated from time to time by the Management Committee to manage the affairs of the Association and the Project.

31. Eligible Mortgagee shall mean and include a Mortgagee which has requested notice of certain matters from the Association in accordance with the provisions of this Declaration

32. Eligible Insurer or Guarantor shall mean and include an insurer or governmental guarantor of a Mortgage which has requested notice of certain matters from the Association in accordance with the provisions of this Declaration

33. Those definitions contained in the Act, to the extent they are applicable to and not inconsistent herewith, shall be and are hereby incorporated herein by reference and shall have the same effect as if expressly set forth herein and made a part hereof.

Section II - Submission

1. Submission to Condominium Ownership. Declarant hereby submits the above-described property, excluding the expandable property, together with the building, and other improvements constructed thereon or hereafter to be constructed, together with all appurtenances thereto, to the provisions of the Act as a Condominium Project and this Declaration is submitted in accordance with the terms and the provisions of the Act and shall be construed in accordance therewith. It is the intention of Declarant that the provisions of the Act shall apply to the Property.

2. Covenants to Run with the Land. This Declaration containing covenants, conditions and restrictions relating to the Project shall be enforceable equitable servitudes which shall run with the land, excluding the expandable property, and this Declaration and its servitudes shall be binding upon Declarant, its successors and assigns and upon all Unit Owners or subsequent Unit Owners, their grantees, mortgagees, successors, heirs, executors, administrators, devisees and assigns.

3. Reservation of Option to Expand. Declarant hereby reserves an option to expand the project, pursuant to the applicable provisions of the Condominium Ownership Act of the State of Utah and the provisions of this Declaration. This option relates to the additional land described herein and may be exercised any time within a period of seven (7) years from recordation of the Declaration.

The exercise of Declarant's option to include the additional land in the project does not and shall not require the consent of any unit owners. There are no limitations or assurances in the exercise of the option as to the following:

- (a) Whether all or part of the additional land is included,
- (b) Whether portions of the additional land are added at different times,
- (c) As to the location of improvements on the additional land,
- (d) As to the compatibility of structures erected on any portion of the additional land in terms of quality, of construction, principal materials used or architectural style.
- (e) As to any description or limitation on other improvements made on the additional land,
- (f) As to any units on the additional land being substantially identical to units on the original land, Declarant reserves the right to create or not create limited common areas and facilities on all or any portion of the additional land.

Declarant states that there will be a maximum of two (2) additional units created on the additional land and a maximum of five (5) units per acre as to any portions or additional land which may be added to the property. A maximum percentage of 100% of the aggregate land and floor area of all units in the expandable property may be used for nonresidential use, the balance shall be exclusively residential.

ALL OF THE FOREGOING IS SUBJECT TO: all liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasigovernmental authorities; all Patent reservations and exclusions; and mineral reservations of record and rights incident thereto; all instruments of record which effect the above-described tract or any portion thereof, including, without limitation any mortgage or deed of trust; all visible easements and rights-of-way; all easements and right-of-way of record; any easements rights-of-way, encroachments, or discrepancies shown on or revealed by the Survey Map or otherwise existing; an easement for every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the above-described tract at such time as construction of all Project improvements is complete; and all easements necessary for ingress to egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utility lines, and similar facilities.

Section III - Covenants, Conditions And Restrictions

The foregoing submission of the land is made upon and under the following covenants, conditions and restrictions which shall not be applicable to the expandable land:

1. Description of Improvements on Land. The improvements contained in the Project will be located upon the land. The major improvements contained in the Project include One (1) five (5) storey concrete, frame and brick veneer building (which contains 48 Units and 54 parking spaces, concrete sidewalks or walkways a whirlpool, a sauna, an exercise room, and social center. The location and configuration of said improvements are shown on the Survey Map. The Project also will contain other improvements such as outdoor parking, landscaping, and fencing, determined to be appropriate by Declarant. The Map shows the parking spaces and storage spaces as Common Areas, the number of stories and the number of Units which are included in the Building as part of the Project.

2. Description and Legal Status of Units. The Map shows each Unit designation, its location, dimensions from which its Size has been determined and the Common Areas to which it has immediate access. All Unit will be residential Units. All Units shall be capable of being independently owned, rented, leased, encumbered and conveyed.

(A) Each 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:

(1) The upper boundary shall be the place of the lower surface of the ceiling joists;

(2) The lower boundary shall be the place of the plane of the upper surface of the floor slab or sub-flooring; and

(3) The vertical boundaries of the Unit shall be (i) the interior surface of the outside walls of the Building bounding a Unit; (ii) the center line of any non-bearing interior walls bounding a Unit; and (iii) the interior surface of any interior bearing walls bounding a Unit.

(B) As appears more fully in the Map and Exhibit "A", the Project contains a number of parking spaces. The Map shows the horizontal dimensions thereof. Except for a

roof, however, the interior spaces are not enclosed. Declarant shall have no obligation and no other person shall have the right to accomplish any enclosure or further covering thereof. Each parking space shall include that part of the parking structure containing the space which lies within the boundaries of the space, which boundaries shall be determined in the following manner:

- (1) The upper boundary shall be the plane of the lower surface of the ceiling slab or beam;
- (2) The lower boundary shall be the plane of the upper surface of the floor slab; and
- (3) The vertical boundaries of the space shall be planes passed through the lines shown on the Map in such a way that each such plane is perpendicular to the floor slab.

(C) Each storage locker space shall include that part of the structure containing the space which lies within the boundaries of the space which boundary shall be determined in the following manner:

- (1) The upper boundary shall be a horizontal plane level with the top of the ceiling/fencing enclosing the storage space;
- (2) The lower boundary shall be the plane of the upper surface of the floor slab; and
- (3) The vertical boundaries of the space shall be the interior surface of the walls or fencing on the perimeter of the storage space except that the vertical boundaries of the unenclosed storage spaces shall be planes passed through the lines shown on the Map in such a way that such lane is perpendicular to the floor slab.

4. Contents of Exhibit "A". Exhibit "A" to this Declaration contains the following information with respect to each Unit contained in the Project: (i) The Unit Designation; (ii) the approximate square footage and (iii) the number of votes applicable to that Unit. Assignment of par value and percentage of interest are reserved pursuant to 57-8-13.10, U.C.A. (1975), as amended

5. 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 constitute in general all of the parts of the property 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:

- (g) All structural parts of the building including, without limitation, foundations, columns, joists, beams, supports, supporting walls, floors, ceilings, roofs and elevators;
- (h) Driveways, parking areas, lawns, shrubs, gardens, entrance ways, stairways and courts, lobbies and recreational areas;

(i) Any utility pipe or line or system servicing more than a single Unit, and all ducts, wires, conduits, and other accessories used therewith;

(j) All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities in the Map;

(k) The Limited Common Areas and Facilities herein described; and

(l) All repairs and replacements to any of the foregoing

5. Description of Limited Common Areas and Facilities. Each Owner of an apartment Unit is hereby granted an irrevocable and exclusive license to use and occupy the Limited Common Areas and Facilities reserved exclusively for the use of his Unit. The Limited Common Areas appurtenant to any given apartment Unit consist of the one parking space and the one storage space indicated on the Map and the balcony contiguous with the apartment Unit. The exclusive right to use and occupy each Limited Common Area shall be appurtenant to and shall pass with the title to the Unit with which it is associated. Notwithstanding that a given parking space may be a Limited Common Area, however, if access to a storage space or spaces or other areas reasonably requires passage over such parking space, the person or persons having the right to use such storage space or other areas shall have the right, at any and all reasonable times, to pass over such parking space or spaces for purposes of ingress and egress from the storage space or other area to which his right of use applies.

6. Alterations. For the two (2) years following the recordation hereof, the Declarant reserves the right to change the interior design and interior arrangement of any Unit and to alter the boundaries between Units, so long as the Declarant owns the Units so altered. Any such changes shall be reflected by an amendment of this Declaration and of the Map which may be executed by the Declarant alone, notwithstanding the procedures for amendment described in Section 37 of this Declaration. Such change may decrease the number of Units and alter the boundaries of the Common Areas and Facilities. If the boundaries between Units are altered or the number of Units decreased, in the amendment related thereto the Declarant shall reapportion the percentage of ownership in the Common Areas and Facilities which are allocated to the altered Units on the Basis of the change in floorspace which results from the boundary alteration.

7. Statement of Purpose and Restriction on Use.

A. Purpose. The purpose of the Condominium Project is to provide residential housing space for Unit Owners and to tenants and guests and to provide parking, storage and recreational space and facilities for use in connection therewith, all in accordance with the provisions of the Act

B. Restrictions on Use. The Units and Common Areas and Facilities shall be used and occupied as hereinafter set forth.

(a) Each Unit within the Project shall be used exclusively for single family residential occupancy and shall be restricted to such use. No Unit shall be used for any business, industrial, or commercial activity; provided, however, that nothing contained herein

shall be deemed to prevent (i) the Declarant or its agents from using any Residential Unit owned by the Declarant as a sales model or property management office, or (ii) any Owner of his agent freely renting or leasing his Residential Unit. There shall be no condominiumizing, timesharing, leasing or other similar ownership with respect to a Unit whereby a Unit would be subject to any type of shared or multiple ownership, possession, or other arrangement (other than ownership as joint tenants or tenants in common). Notwithstanding the provisions of this paragraph, any Unit or common facility used for initial sales purposes shall revert to use as Residential Units and may not be used thereafter for offices or non-residential uses if prohibited by applicable zoning

(b) Each of the condominium Units shall be occupied by the Unit Owner, his family, servants or guests as a private residence and for no other purpose. Each parking space shall be used by the Unit owner, his family, servants or guests for the parking or storage of motor vehicles or such other items as the Management Committee may approve and for no other purpose. Each storage space shall be subject to all of the use restrictions applicable to the storage spaces included within the Limited Common Areas as set forth in this Declaration, in the By-laws and in such rules and regulations as shall be promulgated by the Management Committee. The Common Areas and Facilities shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Unit owners.

(c) The use of the Common Areas shall be limited to Unit owners in residence and to their tenants in residence, and to their guests, invitees, tenants, lessees and/or licensees. The use or occupancy of the Limited Common Areas shall be restricted to the Owner of the Unit to which it is appurtenant, to his lessees or tenants in residence, and to his guests, invitees and licensees. The use of the Common Areas and Limited Common Areas shall be governed by the Declaration as adopted and amended from time to time by the Management Committee. There shall be no obstructions of the Common Areas by the Owners, their tenants, lessees, guests or invitees without the prior written consent of the Committee. The Committee may by Rules and Regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners or protecting the Units or the Common Areas. Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Committee, except as specifically provided herein. Nothing shall be altered upon, constructed in or removed from the Common areas except upon the prior written consent of the Committee.

(d) Each Unit Owner shall keep his parking space and storage space in a clean and orderly condition. Except as herein otherwise provided, the Committee shall provide for such maintenance and operation of the Common and Limited Common Areas as may be generally required to make them appropriately usable in connection with all Units and to keep them clean, functional and attractive and in good condition and repair.

(e) Nothing shall be done or kept in any Unit or in the Common Areas or Limited Common Areas or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase of the rate of the insurance premium on the Project or any part thereof over what the Committee, but for such activity, would pay, without the prior written consent of the Committee. Nothing shall be done or kept in any

Unit or in the Common Areas or Limited Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Area or any part thereof shall be committed by any Owner or any invitee of the Owner, and each Owner shall indemnify and hold the Committee and the Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Owner. No activities shall be carried on or permitted in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project, including but not limited to any activity which would be considered illegal, dangerous to life or limb, noxious, destructive to property, obscene or offensive to reasonable person. Henceforth, any Owner or Lessee, or any guest or guests of the same, shall be prohibited from smoking tobacco within the Project, present Unit Owners (as of October 7, 1994) within their own Units excepted. **(Amended by #4)**

(f) No owner shall violate the rules and regulations regarding the use of the Units and of the Common Areas as adopted from time to time by the Management Committee.

(g) No structural alterations to any Unit shall be made by any Owner without the prior written consent of the Committee.

(h) No awnings, window guards, aerals, name plates, shades, reflective window coatings, signs, flags, or advertising whatsoever, including but not limited to "For Sale" or "For Rent" signs, commercial, political, informational or directional signs or devices shall be erected or maintained in the Common Areas or in or on the Units so as to be observable from the Common Areas, including but not limited to window signs, without the prior written consent of the Committee, except: (i) Such signs as may be required by legal proceedings, (ii) Such signs as Declarant may erect or maintain incident to the sale or rental of Units, and (iii) Such signs as may be necessary generally to caution or warn of physical danger. If the Association objects to the erection of any such signs or devices, the same shall be removed promptly at the request of the Association. Any signs or similar device and any separate structure or facility for assisting or promoting Declarant's sales efforts must comply with applicable zoning ordinances.

(i) Notwithstanding anything contained herein to the contrary, until the Declarant has completed and sold all of the Units, neither the Unit Owners who have purchased Units from the Declarant nor the Association nor the Committee shall interfere with the completion of sales efforts and sale of all remaining Units. The Declarant reserves the right to use any Units owned by Declarant as models, management offices or sales offices until such time as Declarant conveys title of them to Unit Owners. Declarant reserves the right to relocate the offices from time to time within the Project; upon relocation or sale of models, management offices or sales offices, the furnishings thereof may be removed. The Declarant further reserves the right to maintain on the Project such advertising signs, which may be placed in any location on the Project and may be relocated or removed, all at the sole discretion of the Declarant.

(j) No cars, trucks, motorcycles, trailers, campers, boats or similar equipment or motor vehicles shall hereafter be permitted to remain upon any parking space, unless placed or maintained in the enclosed garage or other designated parking area, nor permitted to be parked, other than temporarily, on any driveway, street, alley, or Common Area within the property, except in accordance with rules and regulations promulgated by the Association. Temporary parking shall mean parking of motor vehicles belonging to guests of Owner, delivery trucks, service vehicles and other commercial vehicles being used in the furnishing of services to the Association or the Owners and parking of such vehicles belonging to or being used by Owners for loading and unloading purposes.

Rules and Regulations on parking shall be promulgated annually by the Association and among other things shall include a schedule of the parking fees or assessments to be paid by Owners, their tenants, guests or invitees, who violate said Rules and Regulations. The Association shall have authority to issue citations for violations of the Rules and Regulations, to make and collect assessments, and to have offending parked vehicles towed from the premises at the Owner's expense. The Association shall have authority to assess interest, late charges, and/or service charges on all unpaid parking violation fees and assessments.

(k) No Owner shall, without the prior written consent of the Association in each specific instance, make or cause to be made any alteration, addition, or improvement in or to the Common Areas or any part thereof, or do any act that would impair the structural soundness or integrity of the Building or jeopardize the safety of persons or property or impair any easement or hereditament appurtenant to the Project.

(l) No Owner shall obstruct the Common Areas or any part thereof. No Owner shall store or cause to be stored in the Common Areas any property whatsoever, unless the Association shall consent thereto in writing.

(m) No owner shall bring anything into his Unit or permit anything to be done in his Unit that will cause damage to the Building. No Owner shall overload the floor of his Unit. No Owner shall permit the use or operation in his Unit of any equipment, machinery, or other apparatus that will in any manner injure, vibrate or shake the Building or portions thereof.

(n) Each Owner shall comply strictly with all Rules and Regulations adopted by the Association for the governance of the Residential Units, the Common Areas, and the Project, as such Rules and Regulations may be modified, and construed by the Association in the sole discretion of its Management Committee.

(o) During the course of actual construction of any permitted structures or improvements within the Project, the provisions, covenants, conditions, and restrictions contained in this Declaration shall be deemed waived to the extent necessary or convenient to permit such construction; provided, however, that during the course of such construction, nothing shall be done which will result in a violation of any of said provisions, covenants, conditions, or restrictions upon completion of the construction.

(p) No Unit Owner shall be permitted to lease his Unit for transient or hotel

purposes, which means that the initial term of any lease shall be at least six (6) months and 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 and By-Laws 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.

(q) No animals of any kind are to be raised, bred or kept in any Unit or in the Common Areas or Limited Common Areas, except that the Management Committee may provide in its Rules and Regulations that dogs, cats and other household pets may be kept in Units subject to the Rules and Regulations adopted by the Management Committee.

The foregoing sentence shall be deemed to prohibit, inter alia, the keeping of any dog weighing more than twenty (20) pounds and the keeping in any Unit of more than two dogs and/or cats. Whenever a pet is allowed to leave a Unit, it shall be on a leash or in a cage.

(r) The Common Areas and Facilities shall be kept free and clear of all rubbish, debris and other unsightly materials.

(s) No admission fees, charges for use, leases or other income-generating arrangement of any type shall be employed or entered into by any Unit Owner with respect to any portion of the Common Areas and Facilities.

8 Permissible Use and Age Restriction. The Project is designed as and intended to be an adult residential condominium project. Furthermore, the Condominium Units are restricted to "family" occupancy as defined by the Provo City ordinances and all definitions of "family" and "residential" shall be construed or interpreted to conform to such ordinances. No Unit shall be used, occupied, or altered in violation of the law, so as to detract from the appearance or value of any other Unit, so as to create a nuisance or to interfere with the rights of any Unit Owner, or in a way which would result in an increase in the cost of any insurance covering the Project as a whole. Without limiting the breadth of the foregoing sentence, aluminium foil, newspapers, or any other similar materials may not be used to cover the windows in any Unit. The Common Areas and Facilities shall be used only in a manner which is consistent with their community nature and with the use restrictions applicable to the Units.

9 Unit Maintenance. Each Owner shall at his own cost and expense maintain, repair, paint, re-paint, carpet, tile, wax, paper or otherwise refinish and/or 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, the Unit Owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heater, heating equipment, air cooler, lighting fixtures, refrigerator, disposal equipment, trash compactor, range, or other appliance or fixtures that may be in, or connected with, his Unit. Each Unit shall be maintained so as to not detract from the appearance of the Project and so as to not affect adversely the value or use of any other Unit. When they can be seen from the Common Areas of the Project, all blinds, levelors, draperies and the like shall be approved by the Management Committee prior to their installation and shall be of neutral colors including,

but not limited to earth tones, cream, beige and the like. Each Owner shall also have the right to construct partition walls, fixtures and improvements within the boundaries of his Unit; provided however, that such partition walls, fixtures and improvements; (i) shall comply with all applicable laws, ordinances and building codes, (ii) shall not interfere with facilities necessary for the support, use or enjoyment of any other part of the Project, (iii) shall not impair the structural soundness or integrity of the building, and (iv) shall not encroach upon the Common Areas or any part thereof, unless the Association shall consent in writing to such encroachment. The Committee shall have no obligation regarding any maintenance which is required to be accomplished by Unit Owners provided. However, in the event that any such Unit shall be kept in unsanitary or unclean condition or fall into a state of disrepair, and in the event that promptly following written notice from the Association, the Association shall have the right, at the expense of the owner and without liability to the Owner for trespass or otherwise, to enter said Unit and correct or eliminate any unsanitary or unclean condition or state of disrepair; provided, however, that the Association shall in no event have the obligation to correct or eliminate any such condition or state of disrepair.

10. Computation of Percentage Interest. There shall be no allocation of undivided ownership interest in the common areas. The percentage of undivided ownership interest in the common areas shall be equal for all Units **(Amended by #6)**

11. Conveyancing. Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering a Condominium Unit shall describe the interest or estate involved substantially as follows:

Unit No. _____ contained within the North Canyon Condominium Project as the same is identified in the Record of Survey Map recorded in Utah County, Utah as Entry No _____ (as said Record of Survey Map may have been amended or supplemented) and in the Declaration of Condominium of the North Canyon Condominium Project recorded in Utah County, Utah as Entry No _____ in book _____ at page _____ (as said Declaration may have been amended or supplemented) TOGETHER WITH the undivided ownership interest in said Project's Common Areas and Facilities which is appurtenant to said Unit as more particularly described in said Declaration.

Whether or not the description employed in any such instrument is in the above specified form, however, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Unit. Neither the percentage of undivided ownership interest in the Common Areas and Facilities, nor the right of exclusive use of a Limited Common Area and Facility, shall be separated from the Unit to which they appertain; and, even though not specifically mentioned in the instrument of transfer, such percentage of undivided ownership interest and such right of exclusive use shall automatically accompany the transfer of the Unit to which they relate.

12. Association Membership. Membership in the Association shall be automatic, shall be appurtenant to the Unit in which the Owner has the necessary interest and shall not be separated from the Unit to which it appertains.

13. Easement of Encroachment. If any part of the Common Area encroaches or

shall hereafter encroach upon a Unit or Units, as easement for such encroachment and for the maintenance for the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance shall and does exist. Such encroachment shall not be considered to be entrances either to the Common areas or the Units. Encroachments referred to herein include, but are not limited to, encroachments created by error in the original construction of the building on the tract, 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.

14. Access for Repair of Common Areas. Some of the Common Areas are or may be located so that they may be conveniently accessible only through a Unit or Units. The Owners of the other Units shall have the irrevocable right, to be exercised by the Committee as agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance of and/or replacement of any of the Common Areas located therein necessary to prevent damage to the Common Areas or to another Unit or Units. The Committee shall also have such rights independent of the agency of Ownership. 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 or as a result of emergency repairs made to another Unit or Units at the instance of the Committee or the Unit Owner shall be the responsibility of the Association; provided, however, that such damage is not the result of negligence of the Owner of a Unit. Each Owner shall be financially responsible for all such damage. All damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owed by Owners pursuant hereto shall be collected by the Committee by this covenant.

15. Right in Ingress, Egress. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas exclusively for access to his Unit, and to the Limited Common Areas designated for use in connection with his Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

16. Easement to Management Committee. The Management Committee shall have non-exclusive easements to make such use of the Common Areas as may be necessary or appropriate to perform the duties and actions which it is obligated or permitted to perform pursuant to this Declaration.

17. Easement for Declarant and for Utility Services. There is hereby reserved and created a blanket easement upon, across, over and under all the Units for ingress, egress, installation, replacing, repairing, and maintaining all utilities, including, but not limited to, water, sewers, gas, telephone, electricity, and other utility services.

The Declarant reserves and hereby creates a transferable easement over and through the Common Areas for the purpose of completing construction of the Project including construction on the additional land, and making improvements therein as shown on the Map and for the purpose of doing all things necessary or appropriate in connection therewith. To the extent that damage is inflicted on any part of the Project by any person utilizing said easement, the Declarant and the person causing the damage shall be liable to the Association for the complete repair of such damage.

All conveyances of Units within the Project hereafter made, either by the Declarant or otherwise, shall be construed to grant and convey such reciprocal easements as are provided in this Declaration even though no specific reference to such easements appears in any such conveyance.

18. Declarant's Sales Program. Until declarant ceases to be a unit owner or until the expiration of six (6) years after the date on which this Declaration was filed in the office of the Utah County Recorder, whichever occurs first, declarant shall have the right to maintain sales offices and/or model units in any unit owned by it or in the game room/lounge area, and Declarant shall have the right to maintain a reasonable number of promotional, advertising and directional signs of a size and nature as is reasonable and customary. During the above specified term, Declarant may also have the right use the Common Areas and Facilities to entertain prospective purchasers and such use shall be reasonable as to time and manner. Declarant shall have the right to remove any signs, banners or similar devices employed in connection with its sales program. **(Amended by #2)**

19. Completion Obligation. Declarant hereby covenants in favor of each person who contracts with Declarant for the purchase of a Unit located in the Project that: No later than eighteen (18) months after the date on which such contract is entered into, (i) the Unit which such person has contracted to purchase and the Building and each Limited Common Area appurtenant to such Unit shall be fully constructed and ready for use or occupancy (as the case may be); and (ii) there shall be substantially completed and usable as part of the Common Areas all proposed or planned roadways, parking spaces, storage spaces, sidewalks, recreational or entertainment facilities, fences, outdoor lighting, landscaping, and utility lines and services necessary to enable full use and enjoyment of the Unit concerned.

20. Status and General Authority of Association. The Association may be incorporated under the laws of the State of Utah as a non-profit corporation. The Association, subject to the rights and duties of the Owners as set forth in the Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including the Common Facilities), and shall keep the same in a good, clean, attractive, safe, and sanitary condition, order, and repair; provided, however that each Owner shall keep the Limited Common Areas designated for use in connection with his Unit, if any, in a good, clean, safe, sanitary, and attractive condition. The Association shall be responsible for the maintenance and repair of the exterior of the Building and the grounds, including without limitation painting thereof, repair and replacement of exterior trim and roofs, and maintenance, repair, and replacement of landscaping, walkways, driveways, and parking areas. The Association shall also be responsible for maintenance, repair and replacement of Common Areas within the Building, including without limitation hallways, elevators, utility lines, Common Facilities and all improvements and other items located within or used in connection with the Common Areas. The specification of Duties of the Association with respect to particular Common Areas shall not be construed to limit its duties with respect to other Common Areas, as set forth in the first sentence of this Section. All goods and services procured by the Association in performance of its responsibilities under this Section shall be paid for with funds from the Common Expense Fund.

(a) Each Owner shall be entitled and required to be a Member of the Association;

Membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Unit is held by more than one person, the Membership appurtenant to that Unit shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which title to the Unit is held. An Owner shall be entitled to one Membership for each Unit owned by him. Each Membership shall be appurtenant to the Unit to which it relates and shall be transferred automatically by conveyance of that Unit. Ownership of a Unit within the Project cannot be separated from Membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance or other disposition of a Unit shall be construed to be a devise, encumbrance, conveyance, or other disposition, respectively, of the Owner's Membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a Member of the Association, and Membership in the Association may not be transferred except in connection with the transfer of a Unit.

(b) The Association shall be managed by a Board of Directors or Trustees which shall be known as the Management Committee. Until such time as the responsibility for electing the Management Committee of the association is turned over to the Owners in accordance with this Declaration and Utah Law, the Declarant shall have the exclusive right to appoint, remove, and replace all such members of the Management Committee.

(c) The vote appurtenant to each respective Unit and its respective weight shall be as set forth in Exhibit "A" attached hereto and by this reference made a part hereof. The vote appurtenant to each Unit as set forth in said Exhibit "A" shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in a duly recorded amendment of this Declaration.

(d) The provisions of this Section may be amplified by the Articles of Incorporation and By-Laws of the Association; provided, however, that no such amplifications shall materially or substantially alter or amend any of the rights or obligations of the Owners set forth in this Declaration. The initial By-Laws of the Association shall be in the form of Exhibit "B" attached hereto and by this reference made a part hereof.

(e) The Association may obtain and pay for the services of such personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration.

In addition to the foregoing, the Association may acquire and pay for out of the Common Expense Fund water, sewer, garbage collection, electrical, gas, insurance, bonds, and other goods and services necessary or desirable for the Common Areas to the extent Units are not separately metered or billed.

(f) The Association may acquire and hold real, personal, and mixed property of all types for the use and benefit of all of the Owners and may dispose of such property by sale or otherwise. All such property, including Common Facilities, shall be paid for out of the Common

Expense Fund and all proceeds from the disposition thereof shall be a part of such fund

(g) The Association may make reasonable Rules and Regulations governing the use of the Units, the Common Areas, the Limited Common Areas, and all parts and duties established by this Declaration. The Association may take judicial action against any Owner to enforce compliance with such Rules and Regulations or other obligations of such Owner arising hereunder, or to obtain damages for non-compliance herewith, as permitted by Law. In the event of such judicial action, the Association shall be entitled to recover its costs, including reasonable attorneys' fees, from the offending Owner.

(h) The Association may, without the vote or consent of the Owners or of any other person, grant or create, on such terms as it deems advisable, utility and similar easements and rights-of-way over, under, cross and through the Common Areas.

(i) All duties, responsibilities, rights and powers imposed upon or granted to the "Management Committee" or to the "manager" under the Condominium Act shall be duties, responsibilities, rights and powers of the Association hereunder.

(j) The Association may exercise any right, power or privilege given to it expressly by this Declaration or by Law, and every other right or privilege reasonably implied from the existence of any right or privilege given herein or reasonably necessary to effectuate any such right or privilege.

(k) The Association shall delegate all of its rights, power and authority to the Management Committee and act by and through said Management Committee as herein set forth. **(Amended by #2)**

21. Status and General Authority of Committee. Notwithstanding anything herein contained to the contrary, the Condominium Project shall be managed, operated and maintained by the Management Committee exclusively as agent of, and in the name of the Unit Owners and the Association and any act performed by the Management Committee pursuant to this Declaration or the By-Laws, as the same may be amended from time to time, shall be deemed to be performed by the Committee for and on behalf of the Association as its agent. The Management Committee shall have, and is hereby granted, the following authority and powers:

(a) The power and authority to enter upon any Condominium Unit to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Project.

(b) The authority, without the vote or consent of the Unit Owners, Mortgagees, insurers or guarantors of Mortgage, or of any other person(s), to grant or create, on such terms as it deems advisable, reasonable permits, licenses, and easements over, under, across, and through the Common Areas and Facilities for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Project.

(c) The authority to execute and record, on behalf of all the Unit Owners, any amendment to the Declaration or Record of Survey Map which has been approved by the vote or consent necessary to authorize such amendment.

(d) The power to sue only after it has obtained consent to do so, in each instance, from at least seventy five percent (75%) of the Owners of Units, and be sued. **(Amended by #4)**

(e) The authority to enter into contracts which in any way concern the Project, so long as any vote or consent necessitated by the subject matter of the agreement has been obtained.

(f) The power and authority to convey or transfer any interest in real property, so long as any vote or consent necessary under the circumstances has been obtained.

(g) The power and authority to purchase, otherwise acquire, and accept title to, any interest in real property so long as such action has been authorized by any vote or consent which is necessary under the circumstances.

(h) The power and authority to add any interest in real property obtained pursuant to subparagraph (g) above to the Condominium Project, so long as such action has been authorized by the necessary vote or consent.

(i) The authority to license persons not otherwise entitled to use any of the recreational areas and facilities to use the same from time to time as the Committee deems appropriate upon payment of fees prescribed by it to help defray the cost of maintenance thereof.

(j) The power and authority to borrow money, provided that no indebtedness for borrowed funds shall exceed at any given time the sum of \$3,000.00 without the prior vote or approval of the Association at a meeting duly called and convened at which a quorum is present.

(k) The authority to promulgate such reasonable Rules and Regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the Project is maintained and used in a manner consistent with the interest of the Unit Owners.

(l) The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions as agent of the Association and the Unit Owners.

Any instrument executed by the Management Committee that recited facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is proposed to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

22. Operation and Maintenance. The Management Committee shall, as a portion of the Common Expense, pay for, or provide for the payment of, water, sewer, garbage collection and all other utility services furnished to the Project and/or the Units that are not separately metered and billed to individual Units by the utility or other party furnishing such service. Nonpayment

of water, sewer, garbage collection and/or other utility bills by the Management Committee may result in the loss of those services to the Project. The Committee shall provide for such maintenance and operation of the common and Limited Common Areas and Facilities as may be reasonably necessary to make them appropriately usable in conjunction with the Units and to keep them clean, functional, attractive and generally in good condition and repair, including removal and disposal of canal grille debris.

23 Manager. The Committee shall carry out its functions which are capable of delegation through a Manager. The Manager retained for such purposes shall be an individual, organization or entity experienced and qualified in the field of property management. The Manager so engaged shall be responsible for managing the Project for the benefit of the Unit Owners and shall, to the extent permitted by Law and the terms of the agreement with the Committee, be authorized to perform the functions or acts required or permitted to be performed by the Management Committee itself. The intended nature of this Project is such that a Professional manager is absolutely essential to its successful operation. Any contract with such a manager shall not exceed a term of three (3) years and shall also provide that either party may terminate the Agreement, with or without cause, and without payment of any termination fee, upon thirty (30) days written notice. **(Amended by #2)**

24. Composition of Management Committee. The Committee shall be composed of five members. At the first annual meeting of the Association at which Committee members are elected, three Committee members shall be elected for two-year terms and two members for three-year terms. At each annual meeting of the Association thereafter, any vacant seat on the Committee shall be filled with a member elected for a three-year term. Only Unit Owners and officers and agents of owners other than individuals shall be eligible for Committee membership. At each annual meeting the Percentage Interest/vote appurtenant to a Unit may be voted in favor of as many candidates for Committee Membership as there are seats on the Committee to be filled; provided, however, that until the happening of the event hereinafter described in this Section, Declarant alone shall be entitled to select all or any portion of the five Committee members.

The event referred to in the first paragraph of this Section shall be the first to occur of the following:

(a) Units to which an aggregate of at least seventy-five (75%) percent of the Percentage Interest appurtenant to the Project have been conveyed by Declarant

(a) The expiration of six (6) years after the date on which this Declaration is filed for record in the office of the County Recorder, Utah County, Utah. **(Amended by #2)**

25 Agreement to Pay Assessment. Declarant for each Unit owned by it within the Project, hereby covenants, and each Owner of any Unit by the acceptance of a deed therefor, whether or not it be so expressed in the deed, or by entering into a sale and purchase contract, shall be deemed to covenant and agree with each other and with the Association to pay to the Association annual assessments made by the Association for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in

this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article. Provided, however, that until a Unit owned by Declarant has been both fully improved with all utilities installed and occupied for the first time in accordance with Section 7 B. (a) herein, the monthly assessment applicable to such Unit shall be ten (10%) percent of the monthly assessment fixed for other units.

(a) Amount of Total Annual Assessments. The total annual assessments against all Units shall be based upon advanced estimates of cash requirements by the Committee to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas, which estimates may include, among other things, expenses of management, taxes and special assessments, (until the Units are separately assessed as provided herein), premiums for all insurance which the Committee is required or permitted to maintain pursuant hereto, repairs and maintenance of the Common Areas that must be replaced on a periodic basis, wages for Committee employees, legal and accounting fees, any deficit remaining from a previous period; the creation of a reasonable contingency reserve, surplus and/or sinking fund; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration. The Committee shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Areas and Facilities and those Limited Common Areas which the Committee is obligated to maintain. As provided in the immediately foregoing paragraph, such fund shall be maintained out of regular monthly payments of Common Expenses.

(b) Apportionment of Annual and Special Assessments. Expenses attributable to the Common Areas and to the Project as a whole shall be apportioned among all Owners in proportion to their respective Percentage Interests in the Common Areas.

(c) Notice of Annual Assessments and Time for Payment. Annual assessments shall be made on a calendar year basis, provided the first fiscal year shall commence on the date this Declaration is recorded in the office of the Recorder of Utah County, Utah and end the following December 31. The foregoing method of assessing the common expenses to the Unit Owners shall commence when the Declarant conveys the first unit to a purchaser. On or before December 15, 1987, and on or before December 15 of each year thereafter, the Association shall prepare and furnish to each Owner, or cause to be prepared and furnished to each Owner, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated amounts of Common Expense for such fiscal year, anticipated receipts (if any), and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the Annual Assessment for the upcoming fiscal year and as the major guideline by which the Project shall be operated during such annual period. Budgets shall be unnecessary for annual Assessments relative to or for operation of the Project during any operating period being before January 1, 1988. Such assessments shall be due and payable in a single lump sum payment within thirty (30) days after the beginning of the calendar year; provided, however at the discretion of the Management Committee, the annual assessment may be made in equal monthly installments on the first day of each and every month, provided each installment is paid in a timely fashion, time being of the essence. In the event an installment payment is not made or is late, the entire unpaid balance of the annual assessment will be automatically accelerated and will be due and payable immediately; provided, however, that the first annual assessment shall be for the balance of the calendar year remaining after the day

fixed by the Committee as the date of commencement of the Project. The original assessment shall be due and payable within thirty (30) days after written notice of the amount thereof shall have been given to the respective Owner of that Unit. Each assessment shall bear interest at the rate of at least eighteen percent (18%) per annum from the date it becomes due and payable until paid. The Management Committee shall have the power and authority to change this interest rate annually in accordance with the prevailing rates, though it shall not be obligated to do so. Moreover, the Committee may impose a late payment service charge equal to or greater than ten dollars (\$10) for each delinquent assessment. Assessments shall commence as to Units sold from the date of closing of sale, and as to all unsold Units no later than sixty (60) days from the date of closing of the first Unit sold. Each time a legal title to a Unit passes from one person to another, within thirty (30) days after the effective date of such sale transaction the new Unit Owner shall pay to the Committee, in addition to any other required amounts the sum of \$50.00 or such other reasonable sum as the Committee deems proper. The provisions for payment of assessments shall apply to the collection of such sum. The sums received by the Committee pursuant to this "sale transaction or transfer fee" shall be held by it as a contingency reserve and shall be used at such times and for such purposes as the Committee may determine.

(d) Except with respect to the first and second fiscal years, the Association shall notify each Owner as to the amount of the Annual Assessment against his Condominium Unit or before December 15 each year for the fiscal year beginning on January 1, next following.

(e) Inadequate Funds. In the event that the Common Expense Fund proves inadequate at any time for whatever reason, including nonpayment of any Owner's assessment, the Association may levy additional assessments in accordance with the procedure set forth below, except that the vote therein specified shall be unnecessary.

(f) Special Assessments for Capital Improvements. In addition to the Annual Assessments authorized by this Article, the Association may, at any time and from time to time, upon affirmative vote of at least sixty percent (60%) of the total votes of the Association, levy 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 Section shall not be construed as an independent source of authority for the Committee to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections hereof. Any amounts assessed pursuant hereto shall be assessed to owners in proportion to their respective Percentage Interests in the Common Areas. Notice in writing of the amount of such special assessments and the time for payment shall be due not less than fifteen (15) days after such notice shall have been given. A special assessment shall bear interest at the rate of at least eighteen percent (18%) per annum from the date it becomes due and payable if not paid within fifteen (15) days after such date. Again, the Management Committee shall have the power and the authority, though not the duty, to alter this interest rate with each special assessment to reflect the prevailing interest rate.

(g) Lien for Assessments. All sums assessed to any Unit pursuant to this Declaration, 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 only for: (i) valid tax and special assessment liens on the Unit in favor of any governmental assessing authority; and (ii) a lien for all sums unpaid on a first mortgage, or on any mortgage to Declarant, duly recorded in the official Records of Utah County, Utah, including all unpaid obligatory advances to be made pursuant to such Mortgage and secured by the lien thereof in accordance with the terms of such instrument. All other lienors acquiring liens on any Unit after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the encumbrances creating such lien. To evidence a lien for sums assessed hereunder, the Committee may prepare a written notice of lien setting forth the amount of the Assessment, the date due, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. Such a notice shall be signed by the Committee or its authorized agent and may be recorded in the office of the County Recorder of Utah County, Utah. No notice of lien shall be recorded until there is a delinquency in the payment of the assessment. Such lien may be enforced by judicial foreclosure by the Committee in the same manner in which mortgages on real property may be foreclosed in Utah. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of the lien and all court costs and reasonable attorneys' fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Committee any assessments against the Unit which shall become due during the period of foreclosure. In the event of foreclosure, after the institution of the action the Unit Owner shall pay a reasonable rental for his use of the Unit and the Committee, shall, without regard to the value of the Unit be entitled to the appointment of a receiver to collect any rental due from the Owner or any other person. The Committee shall have the right and power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof. A release of notice of lien shall be executed by the Committee and recorded in the office of the County Recorder of Utah County, Utah, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien. Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created hereunder, and upon such payment such encumbrancer shall be subrogated to all rights of the Committee with respect to such lien, including priority. The Committee shall report to any encumbrancer of a Unit of unpaid assessments remaining unpaid for thirty days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the Committee written notice of such encumbrancer and a request therefrom for such reporting.

(h) Personal Obligation of Owner. 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 Committee without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by forfeiting the use and enjoyment of any of the Common Areas or by abandonment of his Unit. The Association shall be entitled to collect all related costs including but not limited to a reasonable attorney's fee.

(i) Statement of Account. Upon payment of a reasonable fee not to exceed ten dollars (\$10.00), or such other amount as may in the future be allowed by the Act, and upon written request by any Owner or any Mortgagee, prospective Mortgagee or prospective

purchaser of a Unit, the Committee shall issue a written statement setting forth the amount of the unpaid assessments, if any, with regard to such Unit; amount of the current yearly assessment and the date that such assessment become or became due; credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of pre-paid insurance premiums, and such statement shall be conferred upon the Committee in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied within twenty (20) days, all unpaid assessments which are due prior to the date of making such request shall be subordinated to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligation of the purchaser shall be released automatically if the statement is not furnished within the twenty (20) day period provided herein and thereafter, if an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Unit.

(j) Personal Liability of Purchaser for Assessments. Subject to the provisions of subparagraph (i), a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

(k) Amendment of Article. Except for Declarants right to unilaterally amend this Declaration as set forth herein, this Article shall not be amended unless seventy-five (75%) percent of the Owners of all Units in the Project consent and agree to such amendment in a duly recorded instrument

26. Remedies for Nonpayment. Should any Unit Owner fail to pay when due his share of the Common Expenses, the delinquent payment shall bear interest at the rate of 18% per annum and the Committee may enforce any remedy provided in the Act or otherwise available for collection of delinquent Common Expense assessments. Regardless of the terms of any agreement to the contrary, liability for the payment of Common Expense assessments shall be joint and several, and any remedy for the collection of such assessments may be enforced against any Owner of the Unit concerned or against the Unit itself. The personal obligation of an Owner to pay his share of the Common Expenses shall not pass to successors in title proceedings, shall include the Committee's costs and expenses and reasonable attorney's fees

27. Transition of Project Management. Notwithstanding anything to the contrary contained in this Declaration, Declarant may at any time relinquish its reserved right to select the members of the Committee and to transfer the management of the Project to the Committee as elected by the Unit Owners. If and when Declarant elects to do so, the Declarant shall notify Owners in writing the effective date of such transfer (Transfer Date) at least 45 days prior thereto. Thereupon, the Owners shall call a meeting to elect the members of the Management Committee to take office as of the Transfer Date. Declarant covenants to cooperate with Unit Owners in effecting orderly transition of management. Moreover, Declarant shall cause all obligations for Common Expenses of the Committee prior to the Transfer Date to be paid in full on or before such date. Accordingly, it is intended that the cash position of the Committee as of the Transfer Date will be zero.

28. Limitation on Improvements by Association. Until Declarant ceases to be a unit owner, three fourths of the units are sold, or the expiration of six (6) years from the date the Declaration was recorded, whichever occurs first, neither the Association nor the Management Committee shall, without the written consent of Declarant, make any improvements to or alteration in any of the Common Areas and Facilities other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as originally created or constructed by Declarant. **(Amended by #2)**

29. Capital Improvements. Additions or capital improvements to the Project which cost no more than \$2,500.00 may be authorized by the Management Committee alone. Additions or capital improvements the cost of which will exceed such amount must, prior to being constructed or accomplished, be authorized by at least a majority of the undivided ownership interest. All provisions of this Section 29 are subject to the limitations imposed by the foregoing Section 28.

30. Hazard Insurance. The Management Committee or association of Unit Owners shall at all times maintain in force, and pay the premiums for, hazard insurance meeting the following requirements:

(a) A "master" or "blanket" type policy of property insurance shall be maintained covering the entire Project, including: Common Areas and Facilities; Limited Common Areas; Units; fixtures, building service equipment, personal property, and supplies comprising a part of the Common Areas and Facilities or owned by the Management Committee or the Owners Association; and fixtures, equipment, or other property comprising a part of or located within any Unit and which are of a class typically encumbered by mortgages held by the Federal National Mortgage Association (hereinafter 'FNMA') or other similar institutional Mortgage investors; but excluding land, foundations, excavation, and other items normally not covered by such policies. References herein to a 'master' or 'blanket' type policy of property insurance are intended to denote single entity condominium insurance coverage. As a minimum, such 'master' or 'blanket' policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement, and by all other perils which are customarily covered with respect to condominium projects similar to the Project in construction, location, and use, including (without limitation) all perils normally covered by the standard "all risk" endorsement, where such endorsement is available. Such "master" or 'blanket' policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all elements of the Project covered by such policy, exclusive of land, foundations, excavation, and other items normally excluded from coverage.

(b) If a steam boiler is or comes to be in operation in the Project, there shall be maintained a policy of insurance providing coverage against loss or damage resulting from steam boiler equipment accidents in an amount not less than fifty thousand dollars (\$50,000.00) per accident per location or such greater amount as deemed prudent based on the nature of the Project.

(c) If the Project is or comes to be situated in an area having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program ("NFIP"), a 'master' or 'blanket' policy of flood insurance shall be

maintained covering the Buildings and any other property covered by the required form of policy (hereinafter 'insurable property') in an amount deemed appropriate, but not less than the lesser of: (i) the maximum limit of coverage available under NFIP for all Buildings and Insurable Property within the Project; or (ii) one hundred percent (100%) of current replacement cost of all such Buildings and Insurable Property. Such policy shall be in a form which meets the criteria set forth in the most current guidelines on the subject issues by the Federal Insurance Administrator.

(d) The name of the insured under each policy required to be maintained by the foregoing items (a), (b), and (c) shall be set forth therein substantially as follows: Association of Unit Owners of the North Canyon Condominium Project for the use and benefit of the individual owners. (Said Owners shall be designated by name if required). Notwithstanding the requirement of the two immediately foregoing sentences, each such policy may be issued in the name of an authorized representative of the Association, including any Insurance Trustee with whom the Association has entered into an Insurance Trust Agreement, or any successor to such Trustee, for the use and benefit of the individual Unit Owners. Loss payable shall be in favor of the Owners Association (or Insurance Trustee), as a trustee for each Unit Owner and each such Owner's Mortgage. Each Unit Owner and each such Owner's Mortgagee, if any, shall be beneficiaries of such Owner's undivided ownership interest in the Common Areas and Facilities. Evidence of insurance shall be issued to each Unit Owner and Mortgagee upon request.

(e) Each policy required to be maintained by the foregoing items (a), (b), and (c) shall contain the standard mortgage clause, or equivalent endorsement (without contribution), commonly accepted by private institutional Mortgage investors in the area in which the Project is located. If FNMA is a holder of one or more Mortgages on Condominium Units within the Project, such mortgage clause shall name FNMA or FNMA's servicer of such Mortgages as Mortgagee. If FNMA's servicer is named as mortgagee in such mortgage clause, such servicer's name shall be followed therein by the phrase 'its successors and assigns'. In addition, such mortgage clause of another appropriate provision of each such policy shall provide that the policy may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in the policy.

(f) Each policy required to be maintained by the foregoing items (a), (b), and (c) shall provide for the following: recognition of any insurance trust agreement; a waiver of the right of subrogation against Unit Owners individually; the insurance is not prejudiced by any act or neglect of individual Unit Owners which is not in the control of Unit Owners collectively and the policy is primary in the event the Unit Owner has other insurance covering the same loss. The requirements stated in this item (f) are generally provided by the insurer in the form of a "Special Condominium Endorsement" or its equivalent.

(g) Each policy required to be maintained by the foregoing items (a), (b), and (c) shall also contain or provide the following: (i) "Agreed amount and Inflation Guard Endorsement" if available; and (ii) "Construction Code Endorsements: (such as a "Demolition Cost Endorsement", a "Contingent Liability from Operation of Building Laws Endorsement" and an "Increased Cost of Construction Endorsement"), if the Project is subject to a construction code provision which would become operative upon Partial or Substantial

Destruction and require changes to undamaged portions of the Building, thereby imposing significant costs in the event of such Destruction of the Project by an insured peril.

(h) The "blanket" policy should not include Unit Owners' personal property designated as fixtures including, but not limited to, microwave ovens, kitchen ranges, dishwashers, air-conditioners, clothes washers, clothes dryers, Venetian blinds, and fixed-in-place carpets. Personal property, including but not limited to vehicles, furnishings, furniture, appliances, personal equipment, tools, clothing, books, computers, items of personal adornment, and personal items shall not be covered by the Association "blanket" insurance.
(Amended #5)

31. Fidelity Bonds. The Management Committee or the Association of Unit Owners shall at all times maintain in force and pay the premiums for, "blanket" fidelity bonds for all officers, members, and employees of the Committee and the Association and for all other persons handling or responsible for funds of or administered by the Committee or the Association. Furthermore, where the Committee or the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such bonds are required for the management agent's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Committee or the Association. The total amount of fidelity bond coverage required shall be based upon best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Committee, the Association, or the management agent, as the case may be, at any given time during the term of each bond. Nevertheless, in no event may the amount of such bonds be less than a sum equal to three months' aggregate assessments on all Condominium Units plus reserve funds. The bonds required shall meet the following additional requirements: (i) the fidelity bonds shall name the Committee and the Owners Association as obligees; (ii) the bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions; (iii) the premiums on all bonds required herein for the Committee and the Association (except for premiums on fidelity bonds maintained by a management agent for its officers, employees and agents) shall be paid by the Committee or the Association as part of the Common Expenses; and (iv) the bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Committee and the Association, to any Insurance Trustee, and to each servicer of loans on behalf of FNMA.

32. Liability Insurance. The Management Committee or Association of Unit Owners shall maintain in force, and pay the premium for, a policy providing comprehensive general liability insurance coverage covering all of the Common Areas and Facilities, public ways in the Project, if any, the parking facilities, and any and all Common Areas owned and maintained by the Association or the Committee. The coverage limits under such policy shall be in amounts generally required by private institutional Mortgage investors for condominium projects similar to the Project in construction, location, and use. Nevertheless, such coverage shall be for at least One Million Dollars (\$1,000,000.00) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the

Common Areas and Facilities, and legal liability insurance. Such policy shall provide that it may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in such policy. 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 standard amounts required by private institutional mortgage investors on similar projects in location, construction and use.

33 Insurance Trustee and General Requirements Concerning Insurance.

Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured on behalf of the Committee and the Association, the Association's authorized representative including any trustee with whom the Committee and the Association may enter into any Insurance Trust Agreement, or any successor to such trustee (each of whom shall be referred to herein as the 'Insurance Trustee'), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Each Unit Owner hereby appoints to committee, or any Insurance Trustee or substitute Insurance Trustee designated by the Committee, as his or her attorney-in-fact for the purposes of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Committee, or any Insurance Trustee, shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for Unit Owners and their mortgagees, as their interest may appear.

The following additional provisions shall apply with respect to insurance:

(a) In addition to the insurance and bond coverage described above, the Committee shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with all condominium projects similar to the Project in construction, nature and use.

(b) The Committee shall have exclusive authority to adjust or to delegate the adjustment of losses.

(c) Insurance secured and maintained by the Committee shall not be brought into contribution with insurance held by the individual Unit Owners or their mortgagees

(d) Any Unit Owner may obtain additional insurance at his own expense, so long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the Committee. Any Unit Owner who individually obtains insurance covering any portion of the Project shall supply the Committee with a copy of his policy within 30 days after he acquires such insurance.

(e) Insurance coverage required herein must not be prejudiced by (i) any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association, or (ii) any failure of the Association to comply with any warranty or condition regarding any

portion of the Project over which the Association has no control.

(f) All policies of property insurance must provide that notwithstanding any provisions affording the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any Insurance Trustee) or when in conflict with the provisions of any insurance trust agreement to which the insurance may be a party, or any requirement of Law

Each insurance policy maintained pursuant to the foregoing Section 30, 31, and 32 shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a financial rating by Best's Key Rating Guide of Class VI or better. No such policy shall be maintained where: (i) under the terms of the carrier's charter, bylaws, or policy, contributions may be required from, or assessments may be made against, a Unit Owner, a borrower, a Mortgagee, the Management Committee, the Association of Unit Owners, FNMA, or the designee of FNMA; (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 the party entitled (including, without limitation, the Committee, the Association, a Unit Owner, FNMA, or the borrowers) from collecting insurance proceeds. The provisions of this Section 33 and of the foregoing Sections 30, 31, and 32 shall not be construed to limit the power or authority of hereunder, in such amount and in such forms as the Management Committee or Association may deem appropriate from time to time.

34. Owner's Own Insurance. Each Unit Owner, at his own expense, shall produce and maintain at all times fire and extended coverage insurance covering all personal property, including but not limited to, vehicles, furnishings, furniture, appliances, personal equipment, tools, clothing, books, computers, and personal items, against loss by fire and other casualties, including without limitation vandalism and malicious mischief, in an amount equal to at least eighty percent (80%) of the full replacement value thereof. All policies shall provide liability insurance such that it does not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Declaration. Each Unit Owner shall provide satisfactory evidence of such insurance to the Association promptly upon request. Notwithstanding the provisions hereof, each Unit Owner may obtain insurance at his own expense providing coverage upon his Condominium Unit, his personal property, for his personal liability, and covering such other risks as he may deem appropriate; provided that each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Declaration. If obtainable, all such insurance of the Owner's Condominium Unit and risks associated therewith shall contain a waiver of the insurance company's right of subrogation against the Association, the Declarant, the Manager, other owners, and their respective servants, agents, and guests.
(Amended by #1, #4, #5)

35. Damage to Project. In the event of damage of or destruction of part or all of the improvements in the Condominium Project, the following procedures shall apply:

(a) Association as Attorney in Fact. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney in fact in their name, place and stead for

the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute an appointment by said grantee of the Association as his attorney which shall have full and complete authorization, right, and power to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted.

(b) Definition of Repair and Reconstruction. Repair and reconstruction of the improvements as used herein means restoring the Project to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas having substantially the same vertical and horizontal boundaries as before.

(c) Procedures. In the event any part of the Project is damaged or destroyed, the Association shall proceed as follows:

(i) Estimate of Costs. As soon as practicable after an event causing damage to or destruction of any part of the Project, the Association shall obtain complete and reliable estimates of the costs to repair and reconstruct that part of the Project damaged or destroyed.

(ii) Sufficient Insurance. If the proceeds of the insurance maintained by the Association exceed the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, such repair and reconstruction, the Association shall levy a Special Assessment sufficient to provide funds to pay such actual costs of repair and reconstruction. Such Special Assessment shall be allocated and collected as provided herein, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) prove insufficient to pay all actual costs of such repair and reconstruction.

(iii) Insufficient Insurance -- Less than 75% Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if less than seventy-five percent (75%) of the Building is damaged or destroyed, such repair and reconstruction shall nevertheless be carried out. The Association shall levy a Special Assessment sufficient to provide funds to pay the actual costs of such repair and reconstruction to the extent that such insurance proceeds are insufficient to pay such costs. Such Special Assessments shall be allocated and collected as provided herein, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

(iv) Insufficient Insurance -- 75% or more Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if seventy-five (75%) percent or more of the Building is damaged or destroyed, such damage or destruction shall be repaired and reconstructed as provided herein, if but only if, within one hundred (100) days after such damage or destruction, the Owners shall elect by a vote of at least seventy-five (75%) percent of the total votes of the Association to carry out such repair and reconstruction. If, however, the Owners shall not, within one hundred (100) days after such damage or destruction, elect by a vote of at

least seventy-five (75%) percent of the total votes of the Association to carry out such repair and reconstruction, the Association shall record in the office of the County Recorder of Utah County, State of Utah, a notice setting forth such facts. Upon the recording of such notice, the following shall occur:

- (1) The Project shall be deemed to be owned in common by the Owners;
- (2) The undivided interest in the Project owned in common which shall appertain to each owner shall be the percentage of undivided interest previously owned by such Owner in the Common Areas;
- (3) Any liens affecting any of the Condominiums shall be deemed to be transferred, in accordance with the existing priorities, to the undivided interest or the respective Owner in the Project: and
- (4) The Project shall be subject to an action for partition at the suit of the Owners, in which event the net proceeds of any sale resulting from such suit for partition, together with the net proceeds of the insurance on the Project, if any, shall be considered as one fund and shall be divided among all Owners in a percentage equal to the percentage of undivided interest owned by each respective Owner in the Common Areas, as set forth in Exhibit "A" hereto, after first paying out of the respective share of each Owner, to the extent sufficient for the purpose, all liens on the undivided interest in the Project owed by such Owner.

(d) Repair or Reconstruction. If the damage or destruction is to be repaired and reconstructed as provided above, the Association shall, as soon as practicable after receiving the said estimate of costs, commence and diligently pursue to complete the repair and reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair and reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith, except as otherwise expressly provided herein. The Project shall be restored or repaired to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the common Areas having the same vertical and horizontal boundaries as before.

(e) Disbursement of Funds for Repair and Reconstruction. If repair or reconstruction is to occur, the insurance proceeds held by the Association and any amounts received from assessments made pursuant to Section (b) and (c) hereof shall constitute a fund for the payment of costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment of cost of repair and reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to their respective percentages of ownership in the Common Areas.

(f) Amendment of Articles. Except for Declarants rights herein to amend this Declaration as set forth herein, this Section shall not be amended unless seventy-five (75%) percent of the Owners of all Units in the Project consent and agree to such amendment by duly executed and recorded instrument. **(Amended by #2)**

36. Certain Provisions Applicable to Declarant. Notwithstanding any other provision herein contained, for so long as Declarant continues to own any of the Units, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Declarant from any obligations as Unit Owner to pay assessments, except as herein otherwise provided, as to each Unit owned by Declarant in accordance with the Declaration.

(a) Declarant specifically disclaims any intent to have made any warranty or representation in connection with the Project or the Declaration except as specifically set forth herein or in any agreement for sale of a Unit, and no person shall rely upon any warranty or representation not so specifically made therein.

(b) No amendment may be made to the Declaration without the written consent of the Declarant so long as Declarant retains the ownership of five (5) or more Units; provided, however, that the obligation to acquire said written consent of the Declarant shall cease on a date six (6) years from the date of recording of this Declaration. **(Amended by #2)**

37. Amendment. Except as hereinafter provided, the vote of at least seventy-five (75%) percent of the Percentage Interest of the Unit Owners in person or represented by proxy at a meeting of the Association at which a quorum is present shall be required to amend the Declaration or the Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Management Committee. In such instrument, the Committee shall certify that the vote required by this paragraph for amendment has occurred. The foregoing right of amendment shall be subject to the following paramount rights:

(a) Notwithstanding anything to the contrary contained in the Declaration, until all but five (5) units of the entire Project have been sold, Declarant shall have, and is hereby vested with, the right to unilaterally amend this Declaration or the Map. Such right shall obtain without regard to the subject matter or amendment, so long as the amendment involved is consistent with the Law and does not attempt to divest any vested property rights of any Owner or first Mortgagee.

(b) Notwithstanding anything to the contrary contained in the Declaration, including in the immediately preceding paragraph, neither the insurance provisions of Sections 30, 31, 32 and 33 nor the rights of Mortgagee protection provisions of this Declaration shall be amended without the written approval of all institutional first Mortgagees. **(Amended by #2)**

38. Consent in Lieu of Vote. In any case in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided interest for authorization or approval of an act or a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the stated percentage of undivided ownership interest. The following additional provisions shall govern any application of this Section 38:

(a) All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner

(b) Any change in ownership of a Condominium Unit which occurs after consent

has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose.

(c) Unless the consent of all Owners having an interest in the same Unit is secured, the consent of none or the Owners shall be effective.

39. Condemnation. If at any time or times during the continuance of the condominium ownership pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions shall apply:

(a) Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the 'condemnation award', shall be payable to the Association.

(b) Complete Taking. In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among and paid to the Owners in the same proportion as undivided interests in Common Areas are held as provided in Exhibit 'A' of this Declaration.

(c) Partial Taking. In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner; As soon as practicable the Association shall, reasonably and in good faith, allocate the Condemnation Award between compensation of damages, or other proceeds, and shall apportion the amounts to be prorated among the Owners, as follows: (i) the total amount related to taking of or injury to the Common Areas shall be apportioned among Owners in proportion to their respective undivided interests in the Common Areas, (ii) the total amount allocated to severance damages shall be apportioned to those Condominium Units which have been taken or condemned, (iii) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an Owner has made within his own Unit shall be apportioned to the particular Unit involved, and (iv) the total amount allocated to any partial damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Allocation of apportioned proceeds shall be made by checks payable jointly to the Owners and their Mortgagees respectively.

(d) Reorganization. In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association. Thereafter the Association shall reallocate the ownership, voting rights, and assessments to be determined in accordance with this Declaration according to the allocation principles employed in this Declaration at its inception and shall submit such reallocation to the Owners of remaining Units for amendment of this Declaration.

(e) Reconstruction and Repair. Any reconstruction or repair necessitated by

condemnation shall be governed by the procedures specified herein in cases of Casualty Damage or Destruction.

40. Obsolescence. The Owners may at any time by an affirmative vote of at least eighty-five percent (85%) or more of the total votes of the Association at a Special Meeting of the Association called for that purpose agree that the Project is obsolete and adopt a restoration plan for the renewal and reconstruction of the Project, provided that such plan has the unanimous written approval of all eligible Mortgagees of record at the time of the adoption of such a plan. Complete notice of adoption of such a plan be given to all Owners.

(a) Payment for Renewal and Reconstruction. The Association shall levy Special Assessment sufficient to provide funds for the estimated expenses of renewal or reconstruction. Such Special assessment shall be allocated and collected as provided herein, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amount collected prove insufficient to pay the actual expenses of such renewal or reconstruction. In the event amounts collected pursuant hereto are in excess of the amounts required for renewal or reconstruction, such excess shall be allocated to the Owners in proportion to their respective percentages of ownership of the Common Areas.

(b) Sale of the Project. Notwithstanding any other provision of this Declaration, the Owners may at any time, by an affirmative vote of at least eighty-five percent (85%) of the total votes of the Association at a special meeting of the Association called for that purpose, elect to sell or otherwise dispose of the Project. In such case, the Association shall forthwith record in the office of the County Recorder of Utah County, Utah, a notice setting forth such facts, and upon the recording of such notice by the Association, the Project shall be sold or otherwise disposed of by the Association as attorney in fact for all of the Owners. Such action shall be binding upon all the Owners and each Owner shall have the duty to execute and deliver such instruments and to perform all acts in such manner and form as may be necessary or appropriate to effect such sale or disposition of the Project. The proceeds of such sale or disposition shall be apportioned among the Owners in Proportion to their respective undivided interests in the Common Areas, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Unit. Each such account shall remain in the name of the Association, and shall be further designated by the Unit designation and the name of the Owner. The Association, as attorney in fact, shall use and disburse the total amount of each such amount, without contribution from one account to another, first to the payment of valid tax and special assessment liens on the Unit in favor of any governmental assessing authority, second to the payment of assessments made pursuant to this Declaration, third to the payment of other holders of liens or encumbrances on the Unit in the order of priority of their liens, and the balance remaining, in any, to the respective Owner.

(c) Removal from provisions of the Act. All of the Unit Owners may remove a property 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 Owner in the property.

(d) Removal no bar to subsequent resubmission. The removal provided for above

shall not bar the subsequent resubmission of the property to the provisions of the Act.

41. Rights of Mortgagee. Notwithstanding anything to the contrary contained in the Declaration:

- (a) An adequate reserve fund for repair, maintenance and replacement of those elements of the Common Areas that must be replaced on a periodic basis must be established and shall be funded by regular monthly payments rather than by special assessments.
- (b) The lien or claim against a Condominium Unit for unpaid assessments or charges levied by the Management Committee or by the Association of Unit Owners pursuant to this Declaration or the Act shall be subordinate to any Mortgage recorded on or before the date such assessments or charges became due. In the event that the State of Utah should enact the Uniform Condominium Act or any other statute applicable to condominiums with a provision that would allow such assessments or charges, including special assessments, to have a limited priority over a Mortgage recorded before such assessments or charges became due, or in the event that the State of Utah should enact any law which would allow a lien for unpaid assessments or charges to survive foreclosure or exercise of a power of sale, all such assessments and charges, including special assessments, shall after the date of such enactment be made due and payable to the Committee or the Association on a monthly basis and the lien for any fees, late charges, fines, or interest that may be levied by the Committee or the Association in connection with such unpaid assessments or charges shall be deemed subordinate to the Mortgage on the Condominium Unit upon which such assessment or charges are levied.
- (c) The lien or claim against a Condominium Unit for such unpaid assessments or charges shall not be affected by any sale or transfer of such Condominium Unit, except that a sale or transfer pursuant to a foreclosure of the mortgage affecting such Unit or the exercise of a power of sale available thereunder shall extinguish a subordinate lien for such assessments or charges which became payable prior to such sale or transfer. Nevertheless, any such unpaid assessments or charges which are extinguished in accordance with the foregoing sentence may be reallocated and assessed to all Condominium Units as Common Expenses. Any such sale or transfer pursuant to a foreclosure or power of sale shall not relieve the purchaser or transferee of such Unit from liability for, nor such Unit from the lien of, any assessments or charges becoming due thereafter.
- (d) The Committee or the Association shall make available to Unit Owners, to lenders, and to holders, insurers, or guarantors of any Mortgage current copies of this Declaration, the Survey Map, any Rules and/or Regulations concerning the Project, and the books, records, and financial statements of the Committee and the Association. "Available", as used in this Paragraph, shall mean available for inspection upon request during normal business hours or under other reasonable circumstances.
- (e) Any mortgage holder which comes into possession of a Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (or assignment in lieu of foreclosure) shall be exempt from any "right of first refusal" or other provisions which may exist relating to sale or lease of the Units in the Project, and no right of first refusal shall

impair the rights of any first mortgage to: (i) foreclose or take title to a Unit pursuant to the remedies provided in the mortgage, or (ii) accept a deed (or assignment) in lieu of foreclosure in the even of default by a mortgagor, or (iii) interfere with a subsequent sale or lease of the Unit so acquired by the Mortgagee.

(f) Upon written request to the Committee or the Association by the holder, insurer, or guarantor of a Mortgage (which request identifies the name and address of such holder, insurer or guarantor and the Unit number or address of the Unit encumbered by the Mortgage held or insured by such holder, insurer or guarantor), such holder, insurer, or guarantor shall be deemed thereafter to be an Eligible Mortgagee or Eligible Insurer or Guarantor (as the case may be), shall be included on the appropriate lists maintained by the Association, and shall be e-titled to timely written notice of any of the following:

(1) Any condemnation loss or any casualty loss which affects a material portion or the Project or any Condominium Unit on which there is a Mortgage held, insured, or guaranteed by such Eligible Mortgagee or such Eligible Insurer or Guarantor.

(2) Any delinquency in the payment of assessments or charges owed by an Owner of a Condominium Unit subject to a Mortgage held, insured or guaranteed by such Eligible Mortgagee or such Eligible Insurer or Guarantor, which delinquency remains uncured for a period of 60 days.

(3) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Committee or the Association.

(4) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified within this Declaration

(g) Any lien which the Management Committee or the Association may have on any Unit in the Project for the payment of Common Expenses or assessments attributable to such Unit will be subordinate to the lien or equivalent security interest of any Mortgage on the Unit recorded prior to the date any such common Expense assessments or charges became due.

(h) The right of a Unit Owner to sell, transfer, or otherwise convey his or her Condominium Unit shall not be subject to any right of first refusal or similar restriction.

(i) Unless 100% of the institutional holders of first mortgages (based on one vote for each Mortgage owned) of Units have given their written approval, neither the Management Committee, Declarant, Owners, nor the Association shall:

(1) By act or omission, seek to abandon or terminate the Project, except in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

(2) Change the Percentage Interest or obligations of any Unit for (1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for (ii) determining the pro-rate share of ownership of each Unit in the appurtenant Common Areas.

- (3) Partition or subdivide any Unit or of the Common Area.
- (4) Make any material amendment to the Declaration or to the By-Laws of the Association, including, but not limited to, any amendment which would change the percentage interests of the Unit Owners in the Common Areas, terminate professional management and/or permit self management of the Project
- (5) By act or omission, seek to amend, partition, subdivide, encumber, sell, abandon or transfer the Common Areas. (The granting of easements for public utilities or for other service purposes consistent with the intended use of the Common Areas of the Project shall not be deemed a transfer within the meaning of this subparagraph)
- (6) Use hazard insurance proceeds for losses to any condominium property (whether to Units or to the Common Areas) for other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or the Common Areas of the Project.
- (j) Any institutional holder of a Mortgage (or trust deed) of a Unit in the Project will, upon request, be entitled to examine the books and records of the Project during normal business hours.
- (k) Whenever there is a change of ownership of a Unit, the Committee shall require that the new Unit Owner furnish the Committee with the name of the holder of any Mortgage (or trust deed) affecting the Unit. The Management Committee or Manager shall maintain a current roster of Unit Owners and of the holders of Mortgages (or trust deed) affecting Units in the Project.
- (l) Any agreement for professional management which may be entered into by the Committee or the Association shall provide for a term not exceeding three (3) years and shall also provide that either party, with or without cause, and without payment of any termination fee, may terminate such agreement upon thirty (30) days written notice. **(Amended #1)**
- (m) All leases or rental agreements for Condominium Units shall be in writing and specifically subject to the provisions, restrictions, and requirements of the Declaration and Survey Map.

42. Duty of Owner to Pay Taxes on Unit Owned. It is understood that under the Act each Unit (and its percentage interest in the Common Areas) in the Project is subject to separate assessment and taxation of each taxing authority and the special district(s) for all types of taxes and assessments authorized by law, and that as a result thereof, no taxes will be assessed or levied against the Project as such, except for certain personal properties thereof. Accordingly, each Unit Owner will pay and discharge any and all taxes and assessments which may be assessed against him on his Unit.

43. Covenants to Run with Land Compliance. This Declaration and all the provisions hereof shall constitute covenants running with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit

of the Declarant, all parties who hereafter acquire any interest in a Unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Units shall be subject to, the terms of the Act, the terms of this Declaration, the By-Laws, and the provisions of any Rules, Regulations, agreements, instruments, and determinations contemplated by this Declaration, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Committee on behalf of the Unit Owners, or, in a proper case, by an aggrieved Unit Owner.

By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

44. Enforcement. Subject to the provisions of Section 45 of this Article, the Declarant, the Management Committee, and any aggrieved Unit Owner shall have a right of action against the Declarant, the Committee or any Unit Owner for any failure by such person or entity to comply with this Declaration, the Survey Map, or the provisions of any rules, regulations, agreements, instruments, supplements, amendments, or determinations contemplated by this Declaration.

45. Management Committee Liability. No member of the Management Committee shall be liable to the Unit Owners for any mistake of judgment, for negligence, or on other grounds except for such member's own individual and willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each member of the Management Committee from and against all liability to third parties arising out of any contract made by the Management Committee on behalf of the Owners, unless such contract was made in bad faith or contrary to the provisions of the Act or this Declaration. The liability of any Unit Owner arising out of any contract made by the Management Committee or out of the indemnification provision set forth in the foregoing portion of this Section 45, shall be limited to the total liability concerned multiplied by such Owner's undivided interest in the Common Areas.

46. Information Regarding Transferee of Unit. Any Unit Owner who sells, leases, or otherwise disposes of his Unit shall submit to the Committee pertinent information concerning the transferees or new occupant within one week of any transfer of title or possession on a form furnished by the Committee.

47. Intent and Purpose. The provisions of this Declaration, and any supplemental or amended Declaration, shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a Condominium Project. Failure to enforce any provision, restriction, covenant, or condition contained in this Declaration, or in any supplemental or amended Declaration, shall not operate as a waiver of any such provisions, restrictions, covenants or conditions.

48. Construction. The provisions of this Declaration shall be in addition and supplemental to the provisions of the Act and all other provisions of law. Whenever used herein, unless the context shall otherwise require, the singular shall include any part thereof, and any gender shall include both other genders. The Article and Section headings set forth

herein are for convenience and reference interpretation of this Declaration or any provision hereof.

49. Topical Headings. The topical headings, and/or the order in which they are used, contained in this Declaration are for convenience only and do not define, limit or construe the contents of the Declaration.

50. Severability. The invalidity of any one or more phrases, sentences, sub paragraphs, paragraphs, subsections or sections hereof shall not affect the remaining portions of this instrument should any such be deemed invalid or should operate to render this instrument invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, subsection or subsections or section or sections had not been inserted.

51. Notices and Registration of Mailing Address. Each owner shall register from time to time with the Association his current mailing address. All notices, demands, and other communications to any Owner as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally delivered or if sent by first class U.S. mail, postage prepaid, addressed to the Owner at his registered mailing address, or, if no address has been registered, to the Unit of such Owner. All notices, demands, and other communications to the Association as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally delivered or is sent by first class U.S. mail, postage prepaid, addressed to the Association at its office at P O BOX 51 Provo, Utah 84603, or to such other address as the Association may hereafter specify to the Owners in writing. Any notice, demand, or communication referred to in this Declaration shall be deemed to have been given and received when personally delivered or when deposited in the U.S. mail, postage prepaid, and in the form provided for in this section, as the case may be.

The Committee shall maintain up-to-date records showing: (i) the name of each person who is an Owner, the address of such person, and the Unit which is owned by him; (ii) the name of each person or entity who is an Eligible Mortgagee, the address of such person or entity, and the Unit which is encumbered by the Mortgage held by such person or entity; and (iii) the name of each person or entity who is an Eligible Insurer or Guarantor, the address of such person or entity, and the Unit which is encumbered by the Mortgage insured or guaranteed by such person or entity. In the event of any transfer of a fee or undivided fee interest in a Unit, either the transferor or transferee shall furnish the Committee with evidence that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is on record in the office of the County Recorder, Utah County, Utah. The Committee may for all purposes act and rely on the information concerning Owners and Unit ownership which is thus acquired by it or, at its option, the committee may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of Utah County, Utah. The address of an Owner shall be deemed to be the address of the Unit owned by such person unless the Committee is otherwise advised.

52. Financial Examination. Any Owner may at any reasonable time, upon appointment, and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association. The Association, at the expense of the Common Expense

Fund, shall obtain an appropriate annual examination of the books and records of the project by a qualified independent expert, selected by the Board of Directors. (Amended #7)

53. Owner's Obligations. All obligations of an Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may be leasing, renting, or selling under contract his Condominium. The Owner of a Condominium Unit within the Project shall have no obligation for expenses or other obligations accruing after he conveys such Condominium of record.

54. Conflicts. This Declaration is set forth to comply with the requirements of the Act. In the event of any conflict between this Declaration and the provisions of the Act, the provisions of the latter shall control.

55. Declarant's Rights Assignable. All of the rights of Declarant under this Declaration, or the rights of the Declarant hereunder respecting any given portion of the Project, may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer, or assignment.

56. Agent for Service of Process. James D. Gibbons, 79 West 4500 North, Provo, Utah 84604, is the person to receive service of process in the 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, Utah County, Utah (Amended by #2)

57. Effective Date. This Declaration, any amendment or supplement hereto, and any amendment or supplement to the Survey Map shall take effect upon its being filed for record in the office of the County Recorder, Utah County, Utah.

EXECUTED BY DECLARANT on this 16th day of November, 1987.

"DECLARANT"

ATTEST:

CAMPUS DEVELOPMENT INCORPORATED
a Utah Corporation

Julene Judd
Julene Judd, Secretary

BY: James D. Gibbons
James D. Gibbons, President

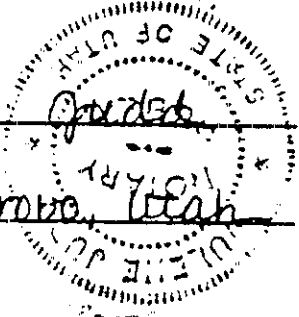
STATE OF UTAH)
) ss.
COUNTY OF UTAH)

On this 16th day of November, 1987, personally appeared before me James D. Gibbons and

Julene Judd, who being by me duly sworn did say that they are the President and Secretary, respectively, of CAMPUS DEVELOPMENT INCORPORATED, a Utah Corporation, that the foregoing Declaration of Condominium was signed on behalf of said corporation by authority of its By-Laws or a resolution of its Board of Directors, and said individuals

did acknowledge that said corporation executed the foregoing Declaration of Condominium.

Julene Judd
Notary Public



My commission expires: 10-08-91 Residing at: Provo, Utah

EXHIBIT "A"
THE NORTH CANYON CONDOMINIUM PROJECT

(Amended by #3)

UNIT NO	APPROXIMATE SQUARE FOOTAGE	NO OF VOTES
101	1255	1
102	1255	1
103	1111	1
104	1111	1
105	1111	1
106	1111	1
107	1134	1
108	1134	1
109	1111	1
110	1111	1
111	1134	1
112	1134	1
113	1111	1
114	1111	1
115	1255	1
116	1255	1
201	1255	1
202	1255	1
203	1455	1
204	1455	1
205	766	1
206	766	1
207	1134	1
208-210	2258	2
209	1111	1
211	1134	1
212	1134	1
213	1111	1
214	1111	1
215	1255	1
216	1255	1
301	1255	1
302	1255	1
303	1111	1
304	1111	1
305	1111	1
306	1111	1
307	1475	1
308	1134	1
309	766	1
310	1111	1
311	1134	1
312	1134	1
313	1111	1
314	1111	1
315	1255	1
316	1255	1

Amended Bylaws

FOR THE ASSOCIATION OF UNIT OWNERS

THE NORTH CANYON CONDOMINIUM PROJECT PROVO, UTAH

EXHIBIT "B"

NOTE: These By-Laws were recorded as part the NCCHA Declarations dated 20 November 1987 as ENI 42664.

Article I - Plan Of Unit Ownership

1. Condominium Submission. The Land located in Utah County, Utah, has been submitted to the provisions of the Act by the Declaration recorded in the office of the Recorder of Utah County, Utah, to which these Bylaws are annexed.

2. Office. The office of the Project and of the Management Committee shall be located at the Project or at such' other place as may be designated from time to time by the Management Committee (hereinafter called the "Committee")

3. Bylaws Applicability. All present and future Owners, tenants, future tenants, lessees, their guests, licencees, servants, agents, employees and any other person or persons who shall be permitted to use the facilities of the Project, shall be subject to these Bylaws. Acquisition, lease, rental or occupancy of any of the Units in the Project shall constitute an acknowledgement that such Owner, tenant, lessee or occupant has accepted and ratified these Bylaws, the provisions of the Declaration and the rules and regulations promulgated from time to time by the Management Committee and will comply with them.

Article II - Association

1. Composition. All of the Unit Owners, acting as a group in accordance with the Act, the Declaration and these Bylaws, shall constitute the Association. Except as to those matters which the Act or the Declaration specifically requires to be performed by the vote of the Unit Owners, the administration of the Project shall be performed by the Committee as set forth in Article III.

2. Voting. Since the proportionable percentage interest of all the Units in the Project are nearly identical, each Unit has one (1) vote. Since a Unit Owner may be more than one person, if only one of such persons is present at a meeting of the Association that person shall be entitled to cast the vote appertaining to that Unit. But if more than one person of such persons is present, the vote appertaining to that Unit shall be cast only in accordance with the

agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the vote appertaining to that Unit without protest being made forthwith by any of the others to the person presiding over the meeting. Since a person need not be a natural person, the word "person" shall be deemed for the purposes of this section to include, without limitation, any natural person having authority to execute deeds on behalf of any person, excluding natural persons, a Unit Owner. Except where a greater number is required by the Act, the Declaration, or these Bylaws, a majority of the votes of Unit Owners present in person or represented by proxy in good standing and entitled to vote is required to adopt decisions at any meeting of the Association. If the declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Association to cast the vote to which each such Unit is entitled **(Amended #6)**

3. Place of Meeting. Meetings of the Association shall be held at the principal office of the Project or at such other suitable place as may be designated by the Committee and stated in the notice of the meeting.

4. Annual Meeting. The annual meeting of the Association shall be held on the first Tuesday in October of each year. When such day is a legal holiday, the meeting shall occur on the first business day thereafter. The place of the meeting shall be at a convenient location in Utah County, Utah specified in the notice of meeting. At least ten (10) days but not more than thirty (30) days delivered or mailed postage prepaid to each person appearing in the records of the Committee at the time of delivery or mailing. Such notice shall state the time, place, and general purpose of the meeting **(Amended #6)**

5. Special Meetings. It shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Committee or, after all of the Committee has been elected by Unit Owners other than Declarant, upon a petition signed and presented to the Secretary by Owners having not less than twenty (20%) percent of the votes of all Owners. The notice on any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

6. Notice of Meetings. It shall be the duty of the Secretary to mail, by United States mail, postage prepaid, a notice of (a) each annual meeting of the Owners, at least twenty (20) days in advance of such meeting, and (b) each special meeting of the Owners at least ten (10) days in advance of such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at the address of their respective Units and at such other address as each Owner may have designated by notice in writing to the secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

7. Voting Requirements. An Owner shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of the Association if, and only if, he shall have fully paid all due installments or assessments made or levied against him and his Unit by the Committee as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his Unit, at least three (3) days prior to the date fixed for such annual or special meeting.

8. Proxies. The vote appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the persons presiding over the meeting, by the Unit Owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy, and must be filed with the Secretary not less than three (3) days before the meeting.

9. Quorum. Except as may otherwise be provided herein or by statute, fifty-one (51%) of the percentage interest shall constitute a quorum for the adoption of decisions. If, however, such quorum shall not be present or represented at any meeting, the Owners entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting and reschedule for a time no earlier than forty-eight (48) hours, and no later than thirty (30) days after the time set for the original meeting. No notice of such rescheduled meeting shall be required except an announcement thereof at the original meeting.

10. Order of Business. The order of business at all meetings of the Association shall be as follows: (a) roll call; (b) proof of notice of meeting; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) report of special committees, if any; (f) election of inspectors of election, if applicable; (g) election of Committee Members, if applicable; (h) unfinished business; and (i) new business.

11. Title to Unit. Title to Units may be taken in the name of natural persons or in the name of two or more natural persons, or in the name of a corporation, partnership, association or other entity capable of holding title to real property, or any combination thereof.

12. Conduct of Meeting. The Chairman shall, or in his absence the Vice-Chairman shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat.

Article III - Management Committee

1 Powers and Duties. The affairs and business of the Association shall be managed by the Committee which shall have all of the powers and duties necessary for the administration of all affairs of the Association in accordance with the provisions of the Declaration and may do all such acts and things as are not by the Act or by these Bylaws directed to be exercised and done by the Association. The Committee shall have the power from time to time to adopt any rules and regulations deemed necessary for the enjoyment of the Project, provided such rules and regulations shall not be in conflict with the Act, the Declaration or these Bylaws. The Committee shall delegate to one of its members the authority to act on behalf of the Committee on all matters relating to the duties of the manager, if any, which might arise between meetings of the Committee. Subject to any limitations or provisions contained in the Declaration, the Committee shall be responsible for the following:

(a) Preparation of an annual budget, in which there shall be established the contribution of each Owner to the Common Expenses.

(b) Making assessments against Owners to defray the costs and expenses of the Condominium, establishing the means and methods of collecting such assessments from the Owners, and establishing the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Committee, the annual assessment against each Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month;

(c) Providing for the operation, care, upkeep, replacement, maintenance and surveillance of all of the Common Areas, Facilities and services of the Project;

(d) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Areas, and providing services for the Property, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed the common property of the Owners;

(e) Collecting the assessments against the Owners, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to carry out the administration of the Property;

(f) Making and amending rules and regulations respecting the use of the Property, the Common Areas and the Facilities of the Project;

(g) Opening of bank accounts on behalf of the Project and/or Association and designating the signatories required therefor;

(h) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Property and repairs to, and restoration of, the Property, in accordance with the Declaration and other provisions of these Bylaws, after damage or destruction by fire or other casualty;

(i) Enforcing by legal means the provisions of the Declaration, these Bylaws, and rules and regulations for the use of the Property adopted by it, and bringing any proceedings which may be instituted of behalf of the Owners;

(j) Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) Paying the cost of all services rendered to the Project and not billed to the Owners of individual Units;

(l) Keeping books with detailed accounts of the receipts and expenditures affecting the Property, and the administration of the Project, specifying the maintenance and repair

expenses of the Common Areas and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Committee for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting practices, and the same upon resolution of the Association, shall be audited at least once a year by an outside auditor employed by the Committee who shall not be a resident of the Project, or an Owner therein. The cost of such audit shall be a Common Expense. A copy of the annual audit report shall be supplied to any first mortgagee of any Unit in the Project who requests the same in writing from the Secretary;

(m) To do such other things and acts not inconsistent with the Act, the Declaration or the Bylaws or a resolution of the Association;

(n) The Committee shall carry out its duties and functions which are capable of delegation through a Professional Manager. The manager retained for such purposes shall be an individual, organization or entity experienced and qualified in the field of property management. The manager so engaged shall be responsive for managing the Project for the benefit of the Unit Owners and shall, to the extent permitted by law and the terms of the agreement with the Committee, be authorized to perform the functions or acts required or permitted to be performed by the Management Committee itself. The intended nature of this Project is such that a Professional Manager is absolutely essential to its successful operation.

2. Composition of Management Committee. The Committee shall be composed of five members. At the first annual meeting of the Association, three Committee members shall be elected for two-year terms and two members for three-year terms. At each annual meeting of the Association thereafter any vacant seat on the Committee shall be filled with a member elected for a three-year term. Only Unit Owners and officers and agents of Owners other than individuals shall be eligible for Committee membership. At each annual meeting, the percentage interest appurtenant to a Unit may be voted in favor of as many candidates for Committee membership as there are seats on the Committee to be filled; provided, however, that until the occurrence of the event hereinafter described in this Section 2, Declarant or its authorized agents(s) alone shall be entitled to select all or any portion of the Committee members.

The event referred to in the first paragraph of this Section 2, shall be the first to occur of the following:

(a) The expiration of six (6) years after the date on which the original Declaration was filed for record in the office of the Recorder of Utah County, Utah.

(b) After units to which three-fourths of the undivided interest in the common areas and facilities appertain have been conveyed, or after all additional land has been added to the project and all convertible land has been converted, whichever last occurs. **(Amended by #1).**

3. Election and Term of Office of the Committee. At the first annual meeting of the Association, subject to the provisions of Section 2 of this Article III, five (5) members of the

Committee shall be elected. The term of office of the Committee members shall be as set forth in Section 2 of this Article III. At the expiration of the initial term of office of such respective members, each successor shall be elected at subsequent annual meetings of the Association to serve a term of three (3) years. The Committee member shall hold office until their respective successors have been elected and hold their first meeting.

4. Organization Meeting. The first meeting of the members of the Committee following the annual meeting of the Association shall be held within ten (10) days after the annual meeting at such place as shall be fixed by the Committee at the meeting at which such Committeemen were elected, and no notice shall be necessary to the newly elected Committee members in order legally to constitute such meeting provided that a majority of the whole Committee shall be present thereat

5. Regular Meetings. Regular meetings of the Committee may be held at such time and place as shall be determined, from time to time, by a majority of the Committee, but at least six (6) such meetings shall be held during each fiscal year after the first annual meeting of the Association. Notice of regular meetings of the Committee shall be given to each member, personally, by mail or by telephone, at least three (3) business days prior to the day named for such meeting

6. Special Meetings. Special meetings of the Committee may be called by the Chairman on three (3) business days notice to each member. Such notice shall be given personally, by mail or by telephone, and such notice shall state the time, place and purpose of the meeting. Special meetings of the Committee shall be called by the Chairman or Secretary in like manner and on like notice on the written request of at least two (2) Committeemen.

7. Waiver of Notice. Before or at any meeting of the Committee, any Committeeman may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Committeeman at any meeting of the Committee shall be a waiver of notice by him of the time and place thereof. If all the Committeemen are present at any meeting of the Committee, no notice shall be required and any business may be transacted at such meeting.

8. Committee's Quorum. At all meetings of the Committee, a majority of the Committeemen shall constitute a quorum for the transaction of business, and the acts of the majority of the Committeemen present at a meeting at which a quorum is present shall be the acts of the Committee. If, at any meeting of the Committee, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

9. Vacancies. Vacancies in the Committee caused by any reason other than removal of a Committeeman by a vote of the Association shall be filled by vote of the majority of the remaining Committeemen, at a special meeting of the Committee held for that purpose promptly after the occurrence of any such vacancy, even though the Committeemen present at such a meeting may constitute less than a quorum of the Committee; and each persons so elected shall be a Committeeman for the remainder of the term of the Committeeman so

replaced and until a successor is elected at the next annual meeting of the Association; provided, however, that the vacancy of any Committeeman originally designated by the Declarant shall be filled by the Declarant.

10. Removal of Committeemen. A Committeeman may be removed with or without cause, and his successor elected, at any duly called regular or special meeting of the Association at which a quorum is present, by an affirmative vote of a majority of the votes represented and voting. Any Committeeman whose removal is proposed by the Owners shall be given at least ten (10) days notice of the calling of the meeting and the purpose thereof and an opportunity to be heard at the meeting. Notwithstanding anything in this Section to the contrary, no person selected and designated by the Declarant as a member of the Committee may be removed without the consent of the Declarant and in such event the Declarant shall select and designate his successor.

11. Compensation. No Committeeman shall receive any compensation from the Condominium for acting as such.

12. Conduct of Meeting. The Chairman shall preside over all meetings of the Committee and the Secretary shall keep a minute book of the Committee recording therein all resolutions adopted by the Committee and a record of all transactions and proceedings occurring at such meeting.

13. Report of Committee. The Committee shall present at each annual meeting, and when called for by vote of the Association at any special meeting of the Association, a full and clear statement of the business and condition of the Condominium.

14. Fidelity Bonds. The Committee shall require that all officers, agents (including a Professional Manager and its employees) and employees of the Association handling or responsible for funds to furnish adequate fidelity bonds. The premiums on such bonds shall constitute a Common Expense. The Committee shall provide fidelity insurance coverage as required by the Declaration.

Article IV

1. Designation. The principal officers of the Condominium shall be a Chairman, a Vice-Chairman, a Secretary and a Treasurer, all of whom shall be elected by the Committee. The Committee may appoint assistant secretaries and other such officers as in its judgment may be necessary. With the exception of the Chairman, no officer need be a member of the Committee. Two or more offices may be held by the same person, except that the Chairman shall not hold any other office.

2. Election of Officers. The officers of the Condominium shall be elected annually by the Committee at the organization meeting of each Committee and shall hold office at the pleasure of the Committee. Any vacancy in an office shall be filled by the Committee at a regular meeting or special meeting for that purpose.

3. Removal of Officers. The officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected of a majority of the whole

Committee, and his successor may be elected at the regular meeting of the Committee, or at any special meeting of the Committee for such purpose.

4. Chairman. The Chairman shall be the chief executive officer; he shall preside at meetings of the Association and the Committee and shall be an ex officio member of all committees; he shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Committee are carried into effect. He shall have all of the general powers and duties which are usually vested in or incident to the office of president of a stock corporation organized under the laws of the State of Utah.

5. Vice-Chairman. The Vice-Chairman shall, in the absence or disability of the Chairman, perform the duties and exercise the powers of the Chairman, and shall perform such other duties as the Committee or the Chairman shall prescribe. If neither the Chairman or Vice-Chairman is able to act, the Committee shall appoint a member of the Committee to do so on an interim basis.

6. Secretary. The Secretary shall attend all sessions of the Committee and all meetings of the Association and record all votes and the minutes of all proceedings in a book to be kept by him for that purpose and shall perform like duties for committees when required. He shall give, or cause to be given, notice of all meetings of the Association, the Committee and committees and shall perform such other duties as may be prescribed by the Committee. The Secretary shall compile and keep current at the principal office of the Condominium, a complete list of the Owners and their last known post office addresses. This list shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the minute book of the Association, containing the minutes of all annual and special meetings of the Association and all sessions of the Committee, including resolutions.

7. Treasurer. The Treasurer shall have the custody of all funds and securities that are not under the control of the Managing Agent, and, with the assistance of the Managing Agent, shall keep full and accurate records of receipts and disbursements, shall prepare all required financial data, and shall deposit all moneys and other valuable effects in such depositories as may be designated by the Committee. He shall disburse funds as ordered by the Committee, making proper vouchers for such disbursements, and shall render to the Chairman and Committeemen, at the regular meetings of the Committee, or whenever they may require, an account of all of his transactions as Treasurer and of the financial condition of the Project.

8. Agreements, Contracts, Deeds, Checks, etc.. All agreements, contracts, deeds, leases, checks and other instruments of the Project for expenditures or obligations shall be executed by any two officers of the Committee or by such other person or persons as may be designated by the Committee.

9. Compensation of the Officers. No officer shall receive any compensation from the Committee for acting as such.

Article V - Fiscal Year

The fiscal year of the Association shall consist of the twelve month period commencing on January 1 of each year and terminating on December 31 of the same year, except that the first fiscal year shall begin at the date of organization and terminate on December 31. The fiscal year herein established shall be subject to change by the Committee should it be deemed advisable or in the best interests of the Association.

Article VI - Amendment To Bylaws

1. Amendments. Except as otherwise provided in this Section, these Bylaws may be modified or amended either (i) by a vote of at least fifty-one percent (51%) of the Percentage Interest at any regular or special meeting of the Association at which a quorum is present, provided that Notice of the proposed amendment shall have been given to each Owner simultaneously with the notice of such meeting, or (ii) pursuant to a written instrument duly executed by at least fifty-one percent (51%) of the Percentage Interest, provided, however, that (a) Section 2 of Article III, insofar as it relates to the selection of a member of the Committee by the Declarant, (b) Section 2 of Article II, insofar as it provides, the Declarant, so long as it is the Owner of one or more Units, may vote the votes appurtenant thereto, and (c) this Section 1 of Article VI, may not be amended without the consent in writing of the Declarant, so long as the Declarant shall own five or more Units. Furthermore, notwithstanding the foregoing, so long as the Declarant is the Owner of one or more Units, no amendment to the Bylaws or rules and regulations may be adopted which could interfere with the construction, display, sale, lease, or other disposition of such Unit or Units

2. Recording. A modification or amendment of these Bylaws shall become effective only if such modification or amendment is recorded in the office of the County Recorder of Utah County, Utah

3. Conflicts. No modification or amendment of these Bylaws may be adopted which shall be inconsistent with the provisions of the Act or with the provisions of the Declaration. A modification or amendment once adopted and recorded as provided for herein shall then constitute a part of the official Bylaws of the Project and all Owners shall be bound to abide by such modification or amendment

4. Approval of Mortgagees. The Declaration contains provisions concerning various rights, priorities, remedies and interests of the Mortgagees of Units. Such provisions in the Declaration are to be construed as covenants for the protection of the Mortgagees on which they may rely in making loans secured by mortgages on the Units. Accordingly, all Mortgagees shall be given thirty (30) days notice of all proposed amendments, and no amendment or modifications of these Bylaws impairing or affecting the rights, priorities, remedies or interests of a Mortgagee (including the Mortgagee's use of a secondary mortgage market, i.e., the saleability of mortgages to one of several ultimate mortgage purchasing corporations) shall be adopted without the prior written consent of such Mortgagee. If there is more than one Mortgagee holding mortgages on the Units, it shall be necessary for this purpose to obtain the written consent of all Mortgagees holding mortgages

Article VII - Notice

1. Manner of Notice. All notices, demands, bills, statements or other communications provided for or required under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by U.S. Mail, first class postage prepaid, to an Owner, at the address of his Unit and at such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes, the Declaration or of these Bylaws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto, unless such waiver is ineffective under the provisions of the Act.

Bylaws Compliance, Conflict, And Miscellaneous Provisions

1. Compliance. These Bylaws are set forth in compliance with the requirements of the Act.

2. Conflict. These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of the Act. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration or Act. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between the Declaration and the Act, the provisions of the Act shall control. In any event, it is the intention of this instrument to make these Bylaws the enabling vehicle to allow the Committee and the Association to administer the affairs of the Association pursuant to the terms and provisions of the Declaration.

3. Severability. These Bylaws are set forth to comply with the requirements of the State of Utah. In case any of the Bylaws are in conflict with the provisions of any of its statutes, the provisions of the statutes will apply. If any provisions of these Bylaws or any section, sentence, clause, phrase, or word, or the application thereof in any circumstance is held invalid, the validity of the remainder of these Bylaws, shall not be affected thereby and to this end, the provisions hereof are declared to be severable.

4. Waiver. No restrictions, condition, obligation or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same.

5. Captions. The captions contained in these Bylaws are for convenience only and are not part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

6. Gender, etc.. Whenever in these Bylaws, the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

Adopted and executed by Declarant as of the same date the Declaration was executed.

"DECLARANT"

CAMPUS DEVELOPMENT INCORPORATED,
a Utah Corporation

ATTEST:

Julene Judd
Julene Judd, Secretary

BY: James D. Gibbons
James D. Gibbons, President

Declaration

OF CONDOMINIUM OF NORTH CANYON CONDOMINIUMS

A CONDOMINIUM PROJECT

(Note: The following is the original copy of the declarations and by-laws, unamended.)

THIS DECLARATION, containing covenants, conditions and restrictions relating to North Canyon Condominiums, a Condominium Project, is made on the date set forth at the end hereof by Campus Development Inc., a Utah Corporation, hereinafter called "Declarant", for itself, its successors, grantees and assigns pursuant to the Condominium Ownership Act of the State of Utah

Recitals:

A. Declarant is the record owner of that certain real property (the land) in Utah County, Utah, and more particularly described as follows:

Commencing at a point on the east right-of-way line of Provo Canyon Road (150 East St.) As extended, which beginning point is north 956.47 feet and east 270.14 feet (based on Utah state plane coordinate system, Utah central zone) from the southwest corner of section 20, T6S, R3E, S.L.B. § M., thence along the east right of way of Provo Canyon Road NOO degrees 30' 15"E 137.79 feet; thence N86 degrees 16' 21"E 64.96 feet; thence S 89 degrees 47'59" E 90.93 feet; thence N85 degrees 34'37" E 74.88; thence N89 degrees 31'17"E along an old fence 143.49 feet; thence 900 degrees 05' 45" W 175.21 feet to the new right-of-way line of 2230 North Street; thence S86 degrees 45' 29"W along the new north right-of-way line of said 2230 North Street (said new north right-of-wayline is parallel with an 60' North of the north edge of an existing concrete sidewalk) 25.85 feet; thence continuing along the north right-of-way line of said 2230 North Street N89 degrees 51'45"W 322.07 feet; thence along the arc of a 27.00 foot radius curve to the right 42.58 feet (CHD. Bears degrees N44 40'45"W 38.31 feet) to the point of beginning. Area = 1.475 acres

B. Declarant is the record owner subject to a life estate, of that certain real property the "additional land" or "expandable land") in Utah County, Utah, and more particularly described as follows:

Commencing at a point on the north right-of-way line of 2230 North Street which beginning point is north 929.92 feet and east 644.96 feet from the S.W. corner of Section 30, T6S, R3E, S.L.B. § M., thence NOO degrees 05' 45" W 175.21 feet; thence N89 degrees 31'17"E along an old fence 92.45 feet to a fence corner; thence SOO degrees 48'41"E 170.61 feet; thence S86 degrees 45' 29" W along the North boundary of 2230 North Street 95.31 feet to the point of beginning. Area = 0.372 acre Basis of bearing - Utah state plane coordinate system (Utah central zone)

The above described additional land area is not included in the condominium project, however, it may at a later time be included in the condominium project in accordance with this Declaration, amendments to this declaration and applicable statutes.

C. Various improvements have been and will be made to the land so as to enable its use and operation as a Condominium Project. The construction of all such improvements have been and will be performed in accordance with the information contained in the Record of Survey Map, consisting of three (3) sheets, incorporated herein by reference, and recorded simultaneously herewith, and in this Declaration.

D. Various improvements may be made to the expandable land area. The Declarant reserves herein an option to withdraw said expandable land or to include said land and to create additional units, common areas, limited common areas and facilities within the expandable land area.

E. Declarant desires, by filing this Declaration and the Record of Survey Map, to submit the land, except the additional land, and all improvements now or hereafter constructed thereon to the provisions of the Utah Condominium Ownership Act as a Condominium Project to be known as "North Canyon Condominium Project".

F. Declarant intends to sell and convey to various purchasers the fee title to the individual Units that will be contained in the Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant to such Units, subject to the covenants, restrictions and limitations herein set forth.

NOW, THEREFORE, for the foregoing purposes, the Declarant hereby makes the following Declaration containing covenants, conditions and restrictions relating to this Condominium Project which, pursuant to the provisions of the Condominium Ownership Act of the State of Utah, shall be enforceable equitable servitudes, where reasonable, and shall run with the land.

Section I - Definitions

When used in this Declaration (including in that portion hereof headed "Recitals", and including all exhibits) the following terms shall have the meaning indicated. Any term used herein which is defined by the Act shall, to the extent permitted by the context hereof, have the meaning ascribed by the Act.

1. Act shall mean and refer to the Utah Condominium Ownership Act (Sections 57-8-1 through 57-8-36, Utah Code Annotated, 1953), as amended and expanded by Laws of Utah 1975, chapter 173, sections 1 through 20.

2. Declaration shall mean and refer to this instrument by which North Canyon Condominiums, a Condominium Project, are established and as the same may hereafter be modified, amended, supplemented or expanded in accordance with law and the provisions hereof.

3. Declarant shall mean and refer to Campus Development Inc., a Utah Corporation,

who has made and executed this Declaration, and/or its successor or assigns which, by either operation of law or through a voluntary conveyance, transfer or assignment, comes to stand in the same relation to the Project as did its predecessor.

4. Record of Survey Map, Survey Map or Map shall mean and refer to the Record of Survey Map filed as Exhibit "C" herewith, executed and acknowledged by the Declarant as the same may hereafter be modified, amended, or expanded in accordance with law and the provisions of this Declaration.

5. Property shall mean and refer to the Land set forth in Recital "A", the buildings all improvements and the structures thereon and all easements, property intended for use in connection therewith. The Property shall be known as "North Canyon Condominiums".

6. Expandable Property shall mean and refer to the additional land set forth in Recital "B", the buildings all improvements and the structures thereon and all easements and property intended for use in connection therewith. The expandable Property, if and when included in the project, shall be known as "North Canyon Condominiums".

7. Management Committee or Committee shall mean and refer to the committee as provided in the Declaration and the By-Laws hereto attached as Exhibit "B" (which By-Laws are hereby incorporated by reference and made a part of this Declaration) and shall be the same as the Governing Board of the Association as provided in the Utah Nonprofit Corporation and Cooperative Association Act. Said Committee is charged with and shall have the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Project.

8. Common Areas and Facilities or Common Areas shall mean and refer to, and include:

- (a) The real property and interests in real property which this Declaration submits to the terms of the Act, but excluding the Units
- (b) Those areas specifically set forth and designated in the Map as "Common Ownership", "Common Areas" or "Limited Common Area".
- (c) All foundations, columns, girders, beams, supports, perimeter walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, recreational areas and facilities, yards, gardens, fences, service and parking areas (other than assigned parking stalls), entrances and exits, storage spaces (other than assigned storage spaces), and in general all other apparatus, installations and other parts of the Property necessary or convenient to the existence, maintenance and safety of the Common Areas and Facilities or normally in common use.
- (d) The Project landscaping, fences, roads, sidewalks and open parking areas.
- (e) All installations for and all equipment connected with the furnishing of Project utility services such as electricity, gas, water and sewer.

- (f) All portions of the Project not specifically included within the individual Units.
- (g) All other parts of the Project normally in common use or necessary or convenient to its use, existence, maintenance, safety or management; except to the extent otherwise expressly provided in this Declaration.
- (h) All Common Areas as defined in the Act, whether or not enumerated herein.
- (i) All expandable or additional land is specifically excluded from the common areas.

9 Limited Common Areas and Facilities or Limited Common Area shall mean and refer to those Common Areas and Facilities designated herein or on the Survey Map as reserved for the use of certain specific Units to-the exclusion of the other Units. Structural separations between Units or the space which would be occupied by such structural separations may become Limited Common Areas for the exclusive usage of the Owner or Owners of the Units on either side thereof as hereinafter provided. Any balconies, porches, parking stalls, or storage facilities that are identified on the Survey Map with the same number or other designation by which a Unit is identified shall be Limited Common Areas for the exclusive use of the Owner of the Unit bearing the same number or designation.

10. Condominium Unit or Unit means and refers to a separate physical part of the Property intended for independent use, consisting of rooms or spaces located in the Building. Units are shown on the Map by single cross-hatching. Mechanical equipment and appurtenances located within any one Unit or located without said Unit and designated and designed to serve only the Unit, such as appliances, electrical receptacles and outlets, air conditioners, and related apparatus, fixtures and the like, shall be considered part of the Unit as shall all decorated interiors, all surfaces of interior and internal walls, floors and ceilings, windows and window frames, door and door frames, and trim, consisting of inter alia and as in situate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits, or other public utility lines or installations constituting a part of the Unit and serving only the Unit, and other structural members or any other property of any kind, including fixtures and appliances within any unit, which are removable without jeopardizing the soundness, safety or usefulness of the remainder of the Building shall be considered part of the Unit. A Unit shall not include pipes, wires, conduits or other utility lines running through it which are used for or which serve more than one Unit, and shall not include any load-bearing walls or floors comprising a basic part of the building.

11 Building shall mean and refer to the structure of a total of five (5) stories containing or to contain 48 Units.

12 Unit Designation shall mean and refer to the number, letter or combination thereof which designates a Unit as set forth in the attached Exhibit "A" and on the Record of Survey Map (Exhibit "C").

13. Unit Owner or Owner shall mean and refer to the owner of a fee or an undivided fee interest in a Unit as recorded in the office of the Recorder, Utah County, Utah, and the

percentage of undivided interest in the Common Areas which is appertenant thereto whether the owner is an individual, corporation or unincorporated association. The Declarant shall be deemed the owner of all unsold Units. The term "Owner" shall not refer to any Mortgagee, unless such Mortgagee has acquired title for other than security purposes, or to any person or persons purchasing a Unit under contract, until such contract is fully performed and legal title conveyed of record. Provided, however, that in the event a Unit is the subject of an executory contract sale, the contract purchaser shall, upon notice to the Committee by the purchaser, unless the seller and the purchaser have otherwise agreed and have informed the Committee in writing of such agreement, be considered the Unit Owner for purposes of voting and Committee membership. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term Unit Owner or Owner shall not mean to include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such a party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

14. Common Expenses shall mean and refer to all sums which are expended on behalf of all the Unit Owners and all sums which are required by the Management Committee to perform or exercise its functions, duties or rights under the Act, this Declaration, the Management Agreement for operation of the Project, and such rules and regulations as the Management Committee may from time to time make and adopt. By way of illustration but not limitation, Common Expenses shall include: (i) expenses of administration, maintenance, operation, repair and replacement of those elements of the Common Areas that must be maintained and/or replaced on a periodic basis and reserves as may be from time to time established by the Committee; (ii) expenses agreed upon by the Association or the Committee and lawfully assessed against the Unit Owners in accordance with the Declaration; (iii) expenses declared to be Common Expenses by the Act or by this Declaration or the By-Laws; and (iv) any valid charge against the Project as a whole.

15. Association of Unit Owners or Association shall mean and refer to all of the Owners taken as or acting as a group. The Association shall be known as "North Canyon Condominium Homeowners Association" and shall be a non-profit corporation organized or to be organized under the laws of the state of Utah.

16. Condominium Project or Project shall mean and refer to The North Canyon Condominium Project.

17. Land shall mean and refer to and consist of the real property which Article II (1) of this Declaration submits to the terms of the Act.

18. Additional land shall mean and refer to and consist of the real property described in Recital B above, but reserved from submission to this Declaration.

19. Mortgage shall mean and refer to both a first mortgage and a first trust deed or other first security instrument by which a Unit or any part thereof is encumbered.

20. Mortgagee shall mean and refer to both a mortgagee under a first mortgage on any Unit and a beneficiary under a first trust deed on any Unit, or beneficiary under another first security instrument, or any successor in interest.

21. Condominium shall mean and refer to the ownership of a single Unit in this Condominium Project together with an undivided interest in the Common Areas and Facilities of the Property.

22. Condominium Project or sometimes the Project shall mean and refer to the entire property, as defined above, together with all rights, obligations and organizations established by this Declaration.

23. Utility Services shall include, but not be limited to, electric power, gas, hot or cold water.

24. Supplementary Declaration shall mean and refer to any supplementary declaration of covenants, conditions and restrictions or similar instrument.

25. Percentage Interest shall mean and refer to any undivided percentage interest of each Unit Owner in the Common Areas at any point in time.

26. Par Value shall mean and refer to a number of points assigned to each unit by the Declaration. Substantially identical units shall be assigned the same par value, but Units located at substantially different heights above the ground, or having substantially different views, or having substantially different other characteristics that might result in differences in market value, but need not, be considered substantially identical within the meaning of this subsection.

27. Size shall mean and refer to the number of square feet of floor space within each unit as computed by reference to the Record of Survey Map and rounded off to a whole number.

28. Common Expense Fund shall mean the fund created or to be created pursuant to the provisions of this Declaration and into which monies of the Association shall be deposited.

29. Total Votes of the Association shall mean the total number of votes appertaining to all Units in the Project, as shown in Exhibit 'A', attached.

30. Manager shall mean the person, persons, firm, or company designated from time to time by the Management Committee to manage the affairs of the Association and the Project.

31. Eligible Mortgagee shall mean and include a Mortgagee which has requested notice of certain matters from the Association in accordance with the provisions of this Declaration.

32. Eligible Insurer or Guarantor shall mean and include an insurer or governmental guarantor of a Mortgage which has requested notice of certain matters from the Association in accordance with the provisions of this Declaration.

33. Those definitions contained in the Act, to the extent they are applicable to and not

inconsistent herewith, shall be and are hereby incorporated herein by reference and shall have the same effect as if expressly set forth herein and made a part hereof.

Section II - Submission

1. Submission to Condominium Ownership. Declarant hereby submits the above-described property, excluding the expandable property, together with the building, and other improvements constructed thereon or hereafter to be constructed, together with all appurtenances thereto, to the provisions of the Act as a Condominium Project and this Declaration is submitted in accordance with the terms and the provisions of the Act and shall be construed in accordance therewith. It is the intention of Declarant that the provisions of the Act shall apply to the Property.

2. Covenants to Run with the Land. This Declaration containing covenants, conditions and restrictions relating to the Project shall be enforceable equitable servitudes which shall run with the land, excluding the expandable property, and this Declaration and its servitudes shall be binding upon Declarant, its successors and assigns and upon all Unit Owners or subsequent Unit Owners, their grantees, mortgagees, successors, heirs, executors, administrators, devisees and assigns.

3. Reservation of Option to Expand. Declarant hereby reserves an option to expand the project, pursuant to the applicable provisions of the Condominium Ownership Act of the State of Utah and the provisions of this Declaration. This option relates to the additional land described herein and may be exercised any time within a period of seven (7) years from recordation of the Declaration.

The exercise of Declarant's option to include the additional land in the project does not and shall not require the consent of any unit owners. There are no limitations or assurances in the exercise of the option as to the following:

- (a) Whether all or part of the additional land is included,
- (b) Whether portions of the additional land are added at different times,
- (c) As to the location of improvements on the additional land,
- (d) As to the compatibility of structures erected on any portion of the additional land in terms of quality, of construction, principal materials used or architectural style
- (e) As to any description or limitation on other improvements made on the additional land,
- (f) As to any units on the additional land being substantially identical to units on the original land, Declarant reserves the right to create or not create limited common areas and facilities on all or any portion of the additional land.

Declarant states that there will be a maximum of two (2) additional units created on the

additional land and a maximum of five (5) units per acre as to any portions or additional land which may be added to the property. A maximum percentage of 100% of the aggregate land and floor area of all units in the expandable property may be used for nonresidential use, the balance shall be exclusively residential.

ALL OF THE FOREGOING IS SUBJECT TO: all liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasigovernmental authorities; all Patent reservations and exclusions; and mineral reservations of record and rights incident thereto; all instruments of record which effect the above-described tract or any portion thereof, including, without limitation any mortgage or deed of trust; all visible easements and rights-of-way; all easements and right-of-way of record; any easements rights-of-way, encroachments, or discrepancies shown on or revealed by the Survey Map or otherwise existing; an easement for every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the above-described tract at such time as construction of all Project improvements is complete; and all easements necessary for ingress to egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utility lines, and similar facilities.

Section III - Covenants, Conditions And Restrictions

The foregoing submission of the land is made upon and under the following covenants, conditions and restrictions which shall not be applicable to the expandable land:

1 Description of Improvements on Land. The improvements contained in the Project will be located upon the land. The major improvements contained in the Project include One (1) five (5) storey concrete, frame and brick veneer building (which contains 48 Units and 54 parking spaces, concrete sidewalks or walkways a whirlpool, a sauna, an exercise room, and social center. The location and configuration of said improvements are shown on the Survey Map. The Project also will contain other improvements such as outdoor parking, landscaping, and fencing, determined to be appropriate by Declarant. The Map shows the parking spaces and storage spaces as Common Areas, the number of stories and the number of Units which are included in the Building as part of the Project.

2. Description and Legal Status of Units. The Map shows each Unit designation, its location, dimensions from which its Size has been determined and the Common Areas to which it has immediate access. All Unit will be residential Units. All Units shall be capable of being independently owned, rented, leased, encumbered and conveyed.

(A) Each 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:

- (1) The upper boundary shall be the place of the lower surface of the ceiling joists;
- (2) The lower boundary shall be the place of the plane of the upper surface of the floor slab or sub-flooring; and
- (3) The vertical boundaries of the Unit shall be (i) the interior surface of the

outside walls of the Building bounding a Unit; (ii) the center line of any non-bearing interior walls bounding a Unit; and (iii) the interior surface of any interior bearing walls bounding a Unit.

(B) As appears more fully in the Map and Exhibit "A", the Project contains a number of parking spaces. The Map shows the horizontal dimensions thereof. Except for a roof, however, the interior spaces are not enclosed. Declarant shall have no obligation and no other person shall have the right to accomplish any enclosure or further covering thereof. Each parking space shall include that part of the parking structure containing the space which lies within the boundaries of the space, which boundaries shall be determined in the following manner:

(1) The upper boundary shall be the plane of the lower surface of the ceiling slab or beam;

(2) The lower boundary shall be the plane of the upper surface of the floor slab; and

(3) The vertical boundaries of the space shall be planes passed through the lines shown on the Map in such a way that each such plane is perpendicular to the floor slab.

(C) Each storage locker space shall include that part of the structure containing the space which lies within the boundaries of the space which boundary shall be determined in the following manner:

(1) The upper boundary shall be a horizontal plane level with the top of the ceiling/fencing enclosing the storage space;

(2) The lower boundary shall be the plane of the upper surface of the floor slab; and

(3) The vertical boundaries of the space shall be the interior surface of the walls or fencing on the perimeter of the storage space except that the vertical boundaries of the unenclosed storage spaces shall be planes passed through the lines shown on the Map in such a way that such line is perpendicular to the floor slab.

3. Contents of Exhibit "A". Exhibit "A" to this Declaration contains the following information with respect to each Unit contained in the Project: (i) The Unit Designation; (ii) the approximate square footage and (iii) the number of votes applicable to that Unit. Assignment of par value and percentage of interest are reserved pursuant to 57-8-13.10, U.C.A. (1975), as amended.

4. 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 constitute in general all of the parts of the property 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) All structural parts of the building including, without limitation, foundations, columns, joists, beams, supports, supporting walls, floors, ceilings, roofs and elevators;
- (b) Driveways, parking areas, lawns, shrubs, gardens, entrance ways, stairways and courts, lobbies and recreational areas;
- (c) Any utility pipe or line or system servicing more than a single Unit, and all ducts, wires, conduits, and other accessories used therewith;
- (d) All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities in the Map;
- (e) The Limited Common Areas and Facilities herein described; and
- (f) All repairs and replacements to any of the foregoing

5. Description of Limited Common Areas and Facilities. Each Owner of an apartment Unit is hereby granted an irrevocable and exclusive license to use and occupy the Limited Common Areas and Facilities reserved exclusively for the use of his Unit. The Limited Common Areas appurtenant to any given apartment Unit consist of the one parking space and the one storage space indicated on the Map and the balcony contiguous with the apartment Unit. The exclusive right to use and occupy each Limited Common Area shall be appurtenant to and shall pass with the title to the Unit with which it is associated. Notwithstanding that a given parking space may be a Limited Common Area, however, if access to a storage space or spaces or other areas reasonably requires passage over such parking space, the person or persons having the right to use such storage space or other areas shall have the right, at any and all reasonable times, to pass over such parking space or spaces for purposes of ingress and egress from the storage space or other area to which his right of use applies.

6. Alterations. For the two (2) years following the recordation hereof, the Declarant reserves the right to change the interior design and interior arrangement of any Unit and to alter the boundaries between Units, so long as the Declarant owns the Units so altered. Any such changes shall be reflected by an amendment of this Declaration and of the Map which may be executed by the Declarant alone, notwithstanding the procedures for amendment described in Section 37 of this Declaration. Such change may decrease the number of Units and alter the boundaries of the Common Areas and Facilities. If the boundaries between Units are altered or the number of Units decreased, in the amendment related thereto the Declarant shall reapportion the percentage of ownership in the Common Areas and Facilities which are allocated to the altered Units on the Basis of the change in floorspace which results from the boundary alteration.

7. Statement of Purpose and Restriction on Use.

A. Purpose. The purpose of the Condominium Project is to provide residential housing space for Unit Owners and to tenants and guests and to provide parking, storage and recreational space and facilities for use in connection therewith, all in accordance with the

provisions of the Act.

B. Restrictions on Use. The Units and Common Areas and Facilities shall be used and occupied as hereinafter set forth.

(a) Each Unit within the Project shall be used exclusively for single family residential occupancy and shall be restricted to such use. No Unit shall be used for any business, industrial, or commercial activity; provided, however, that nothing contained herein shall be deemed to prevent (i) the Declarant or its agents from using any Residential Unit owned by the Declarant as a sales model or property management office, or (ii) any Owner of his agent freely renting or leasing his Residential Unit. There shall be no condominiumizing, timesharing, leasing or other similar ownership with respect to a Unit whereby a Unit would be subject to any type of shared or multiple ownership, possession, or other arrangement (other than ownership as joint tenants or tenants in common). Notwithstanding the provisions of this paragraph, any Unit or common facility used for initial sales purposes shall revert to use as Residential Units and may not be used thereafter for offices or non-residential uses if prohibited by applicable zoning.

(b) Each of the condominium Units shall be occupied by the Unit Owner, his family, servants or guests as a private residence and for no other purpose. Each parking space shall be used by the Unit owner, his family, servants or guests for the parking or storage of motor vehicles or such other items as the Management Committee may approve and for no other purpose. Each storage space shall be subject to all of the use restrictions applicable to the storage spaces included within the Limited Common Areas as set forth in this Declaration, in the By-laws and in such rules and regulations as shall be promulgated by the Management Committee. The Common Areas and Facilities shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Unit owners.

(c) The use of the Common Areas shall be limited to Unit owners in residence and to their tenants in residence, and to their guests, invitees, tenants, lessees and/or licensees. The use or occupancy of the Limited Common Areas shall be restricted to the Owner of the Unit to which it is appurtenant, to his lessees or tenants in residence, and to his guests, invitees and licensees. The use of the Common Areas and Limited Common Areas shall be governed by the Declaration as adopted and amended from time to time by the Management Committee. There shall be no obstructions of the Common Areas by the Owners, their tenants, lessees, guests or invitees without the prior written consent of the Committee. The Committee may by Rules and Regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners or protecting the Units or the Common Areas. Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Committee, except as specifically provided herein. Nothing shall be altered upon, constructed in or removed from the Common areas except upon the prior written consent of the Committee.

(d) Each Unit Owner shall keep his parking space and storage space in a clean and orderly condition. Except as herein otherwise provided, the Committee shall provide for such maintenance and operation of the Common and Limited Common Areas as may be generally required to make them appropriately usable in connection with all Units and to keep them clean, functional and attractive and in good condition and repair.

(e) Nothing shall be done or kept in any Unit or in the Common Areas or Limited Common Areas or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase of the rate of the insurance premium on the Project or any part thereof over what the Committee, but for such activity, would pay, without the prior written consent of the Committee. Nothing shall be done or kept in any Unit or in the Common Areas or Limited Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Area or any part thereof shall be committed by any Owner or any invitee of the Owner, and each Owner shall indemnify and hold the Committee and the Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Owner. No activities shall be carried on or permitted in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project, including but not limited to any activity which would be considered illegal, dangerous to life or limb, noxious, destructive to property, obscene or offensive to reasonable person.

(f) No owner shall violate the rules and regulations regarding the use of the Units and of the Common Areas as adopted from time to time by the Management Committee.

(g) No structural alterations to any Unit shall be made by any Owner without the prior written consent of the Committee.

(h) No awnings, window guards, aerals, name plates, shades, reflective window coatings, signs, flags, or advertising whatsoever, including but not limited to "For Sale" or "For Rent" signs, commercial, political, informational or directional signs or devices shall be erected or maintained in the Common Areas or in or on the Units so as to be observable from the Common Areas, including but not limited to window signs, without the prior written consent of the Committee, except: (i) Such signs as may be required by legal proceedings, (ii) Such signs as Declarant may erect or maintain incident to the sale or rental of Units, and (iii) Such signs as may be necessary generally to caution or warn of physical danger. If the Association objects to the erection of any such signs or devices, the same shall be removed promptly at the request of the Association. Any signs or similar device and any separate structure or facility for assisting or promoting Declarant's sales efforts must comply with applicable zoning ordinances.

(i) Notwithstanding anything contained herein to the contrary, until the Declarant has completed and sold all of the Units, neither the Unit Owners who have purchased Units from the Declarant nor the Association nor the Committee shall interfere with the completion of sales efforts and sale of all remaining Units. The Declarant reserves the right to use any Units owned by Declarant as models, management offices or sales offices until such time as Declarant conveys title of them to Unit Owners. Declarant reserves the right to relocate the offices from time to time within the Project; upon relocation or sale of models, management offices or sales offices, the furnishings thereof may be removed. The Declarant further reserves the right to maintain on the Project such advertising signs, which may be placed in any location on the Project and may be relocated or removed, all at the sole discretion of the Declarant.

(j) No cars, trucks, motorcycles, trailers, campers, boats or similar equipment or motor vehicles shall hereafter be permitted to remain upon any parking space, unless placed or maintained in the enclosed garage or other designated parking area, nor permitted to be parked, other than temporarily, on any driveway, street, alley, or Common Area within the property, except in accordance with rules and regulations promulgated by the Association. Temporary parking shall mean parking of motor vehicles belonging to guests of Owner, delivery trucks, service vehicles and other commercial vehicles being used in the furnishing of services to the Association or the Owners and parking of such vehicles belonging to or being used by Owners for loading and unloading purposes.

Rules and Regulations on parking shall be promulgated annually by the Association and among other things shall include a schedule of the parking fees or assessments to be paid by Owners, their tenants, guests or invitees, who violate said Rules and Regulations. The Association shall have authority to issue citations for violations of the Rules and Regulations, to make and collect assessments, and to have offending parked vehicles towed from the premises at the Owner's expense. The Association shall have authority to assess interest, late charges, and/or service charges on all unpaid parking violation fees and assessments

(k) No Owner shall, without the prior written consent of the Association in each specific instance, make or cause to be made any alteration, addition, or improvement in or to the Common Areas or any part thereof, or do any act that would impair the structural soundness or integrity of the Building or jeopardize the safety of persons or property or impair any easement or hereditament appurtenant to the Project

(l) No Owner shall obstruct the Common Areas or any part thereof. No Owner shall store or cause to be stored in the Common Areas any property whatsoever, unless the Association shall consent thereto in writing.

(m) No owner shall bring anything into his Unit or permit anything to be done in his Unit that will cause damage to the Building. No Owner shall overload the floor of his Unit. No Owner shall permit the use or operation in his Unit of any equipment, machinery, or other apparatus that will in any manner injure, vibrate or shake the Building or portions thereof

(n) Each Owner shall comply strictly with all Rules and Regulations adopted by the Association for the governance of the Residential Units, the Common Areas, and the Project, as such Rules and Regulations may be modified, and construed by the Association in the sole discretion of its Management Committee

(o) During the course of actual construction of any permitted structures or improvements within the Project, the provisions, covenants, conditions, and restrictions contained in this Declaration shall be deemed waived to the extent necessary or convenient to permit such construction; provided, however, that during the course of such construction, nothing shall be done which will result in a violation of any of said provisions, covenants, conditions, or restrictions upon completion of the construction.

(p) No Unit Owner shall be permitted to lease his Unit for transient or hotel purposes, which means that the initial term of any lease shall be at least six (6) months and 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 and By—Laws 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.

(q) No animals of any kind are to be raised, bred or kept in any Unit or in the Common Areas or Limited Common Areas, except that the Management Committee may provide in its Rules and Regulations that dogs, cats and other household pets may be kept in Units subject to the Rules and Regulations adopted by the Management Committee.

The foregoing sentence shall be deemed to prohibit, inter alia, the keeping of any dog weighing more than twenty (20) pounds and the keeping in any Unit of more than two dogs and/or cats. Whenever a pet is allowed to leave a Unit, it shall be on a leash or in a cage.

(r) The Common Areas and Facilities shall be kept free and clear of all rubbish, debris and other unsightly materials.

(s) No admission fees, charges for use, leases or other income-generating arrangement of any type shall be employed or entered into by any Unit Owner with respect to any portion of the Common Areas and Facilities.

8. Permissible Use and Age Restriction. The Project is designed as and intended to be an adult residential condominium project. Furthermore, the Condominium Units are restricted to "family" occupancy as defined by the Provo City ordinances and all definitions of "family" and "residential" shall be construed or interpreted to conform to such ordinances. No Unit shall be used, occupied, or altered in violation of the law, so as to detract from the appearance or value of any other Unit, so as to create a nuisance or to interfere with the rights of any Unit Owner, or in a way which would result in an increase in the cost of any insurance covering the Project as a whole. Without limiting the breadth of the foregoing sentence, aluminium foil, newspapers, or any other similar materials may not be used to cover the windows in any Unit. The Common Areas and Facilities shall be used only in a manner which is consistent with their community nature and with the use restrictions applicable to the Units.

9. Unit Maintenance. Each Owner shall at his own cost and expense maintain, repair, paint, re-paint, carpet, tile, wax, paper or otherwise refinish and/or 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, the Unit Owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heater, heating equipment, air cooler, lighting fixtures, refrigerator, disposal equipment, trash compactor, range, or other appliance or fixtures that may be in, or connected with, his Unit. Each Unit shall be maintained so as to not detract from the appearance of the Project and so as to not affect adversely the value or use of any other Unit. When they can be seen from the Common Areas of the Project, all blinds, levelors, draperies and the like shall be approved by the Management Committee prior to their installation and shall be of neutral colors including, but not limited to earth tones, cream, beige and the like. Each Owner shall also have the right to

construct partition walls, fixtures and improvements within the boundaries of his Unit; provided however, that such partition walls, fixtures and improvements; (i) shall comply with all applicable laws, ordinances and building codes, (ii) shall not interfere with facilities necessary for the support, use or enjoyment of any other part of the Project, (iii) shall not impair the structural soundness or integrity of the building, and (iv) shall not encroach upon the Common Areas or any part thereof, unless the Association shall consent in writing to such encroachment. The Committee shall have no obligation regarding any maintenance which is required to be accomplished by Unit Owners provided. However, in the event that any such Unit shall be kept in unsanitary or unclean condition or fall into a state of disrepair, and in the event that promptly following written notice from the Association, the Association shall have the right, at the expense of the owner and without liability to the Owner for trespass or otherwise, to enter said Unit and correct or eliminate any unsanitary or unclean condition or state of disrepair; provided, however, that the Association shall in no event have the obligation to correct or eliminate any such condition or state of disrepair.

10. Computation of Percentage Interest. Within the seven year period during which Declarant may expand the project by inclusion of the additional land, there shall be no allocation of undivided ownership interest in the common areas as provided in 57-8-13.10 U.C.A. (1975), as amended, unless the additional land is added to the project and an amended declaration is made. After the expiration of the seven-year period or after an amended declaration which includes the additional land in the project is made, the percentage of undivided ownership interest in the Common Areas which, at any point in time is appurtenant to a Unit, shall be equal to the ratio of the par Value or size of such Unit and the aggregate Par Value or size of all Units included in the Project. The par value or size of each Unit is shown in Exhibit A.

11. Conveyancing. Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering a Condominium Unit shall describe the interest or estate involved substantially as follows:

Unit No. _____ contained within the North Canyon Condominium Project as the same is identified in the Record of Survey Map recorded in Utah County, Utah as Entry No. _____ (as said Record of Survey Map may have been amended or supplemented) and in the Declaration of Condominium of the North Canyon Condominium Project recorded in Utah County, Utah as Entry No. ____ in book _____ at page ____ (as said Declaration may have been amended or supplemented). TOGETHER WITH the undivided ownership interest in said Project's Common Areas and Facilities which is appurtenant to said Unit as more particularly described in said Declaration.

Whether or not the description employed in any such instrument is in the above specified form, however, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Unit. Neither the percentage of undivided ownership interest in the Common Areas and Facilities, nor the right of exclusive use of a Limited Common Area and Facility, shall be separated from the Unit to which they appertain; and, even though not specifically mentioned in the instrument of transfer, such percentage of undivided ownership interest and such right of exclusive use shall automatically accompany the transfer of the Unit to which they relate.

12 Association Membership. Membership in the Association shall be automatic, shall be appurtenant to the Unit in which the Owner has the necessary interest and shall not be separated from the Unit to which it appertains

13 Easement of Encroachment. If any part of the Common Area encroaches or shall hereafter encroach upon a Unit or Units, as easement for such encroachment and for the maintenance for the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance shall and does exist. Such encroachment shall not be considered to be entrances either to the Common areas or the Units. Encroachments referred to herein include, but are not limited to, encroachments created by error in the original construction of the building on the tract, 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

14 Access for Repair of Common Areas. Some of the Common Areas are or may be located so that they may be conveniently accessible only through a Unit or Units. The Owners of the other Units shall have the irrevocable right, to be exercised by the Committee as agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance of and/or replacement of any of the Common Areas located therein necessary to prevent damage to the Common Areas or to another Unit or Units. The Committee shall also have such rights independent of the agency of Ownership. 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 or as a result of emergency repairs made to another Unit or Units at the instance of the Committee or the Unit Owner shall be the responsibility of the Association; provided, however, that such damage is not the result of negligence of the Owner of a Unit. Each Owner shall be financially responsible for all such damage. All damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owed by Owners pursuant hereto shall be collected by the Committee by this covenant.

15. Right in Ingress, Egress. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas exclusively for access to his Unit, and to the Limited Common Areas designated for use in connection with his Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

16. Easement to Management Committee. The Management Committee shall have non-exclusive easements to make such use of the Common Areas as may be necessary or appropriate to perform the duties and actions which it is obligated or permitted to perform pursuant to this Declaration.

17. Easement for Declarant and for Utility Services. There is hereby reserved and created a blanket easement upon, across, over and under all the Units for ingress, egress, installation, replacing, repairing, and maintaining all utilities, including, but not limited to, water, sewers, gas, telephone, electricity, and other utility services.

The Declarant reserves and hereby creates a transferable easement over and through the Common Areas for the purpose of completing construction of the Project including

construction on the additional land, and making improvements therein as shown on the Map and for the purpose of doing all things necessary or appropriate in connection therewith. To the extent that damage is inflicted on any part of the Project by any person utilizing said easement, the Declarant and the person causing the damage shall be liable to the Association for the complete repair of such damage.

All conveyances of Units within the Project hereafter made, either by the Declarant or otherwise, shall be construed to grant and convey such reciprocal easements as are provided in this Declaration even though no specific reference to such easements appears in any such conveyance.

18 Declarant's Sales Program. Notwithstanding, and in addition to, other provisions of this Declaration, until the event described in the second section of this Section 18, Declarant shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all Units owned by Declarant.

A. Declarant shall have the right to maintain six (6) or less sales offices and/or model Units. Such offices and/or model Units may be on any floor and at any location. One or more separate structures or facilities may be placed on the Tract for the purpose of aiding Declarant's sales efforts. A sales office and/or a partial model unit may be maintained in the game room/lounge area. If one or more separate structures or facilities is employed by Declarant, each shall be reasonably located given the layout of the Project and such shall have an aggregate floor area not substantially in excess of the aggregate floor area of the largest Unit contained in the Project.

B. Declarant shall have the right to maintain a reasonable number of promotional, advertising, and/or directional signs, banners, or similar devices at any place or places on the Tract, but any such device shall be of a size and in a location as is reasonable and customary.

C. Declarant shall have the right to use the Common Areas and Facilities of the Project to entertain prospective purchasers or to otherwise facilitate Unit sales, provided such use is reasonable as to time and manner.

D. Declarant shall have the right from time to time to locate or relocate any of its sales offices, model Units, and/or signs, banners, or similar devices, but in connection with each such location or relocation shall observe the limitations imposed within this Declaration. Within a reasonable period of time after the happening of the event described in the second paragraph of this Section 18, Declarant shall have the right to remove from the Project any signs, banners, or similar devices and any separate structure or facility which was placed on the Tract for the purposes of aiding Declarant's sales effort.

The event referred to in the first paragraph of this Section 18 shall be the first to occur of the following:

(a) Declarant ceases to be a Unit Owner; or

(b) The expiration of seven (7) years after the date on which this Declaration is filed for record in the office of the County Recorder of Utah County, Utah.

19. Completion Obligation. Declarant hereby covenants in favor of each person who contracts with Declarant for the purchase of a Unit located in the Project that: No later than eighteen (18) months after the date on which such contract is entered into, (i) the Unit which such person has contracted to purchase and the Building and each Limited Common Area appurtenant to such Unit shall be fully constructed and ready for use or occupancy (as the case may be); and (ii) there shall be substantially completed and usable as part of the Common Areas all proposed or planned roadways, parking spaces, storage spaces, sidewalks, recreational or entertainment facilities, fences, outdoor lighting, landscaping, and utility lines and services necessary to enable full use and enjoyment of the Unit concerned.

20. Status and General Authority of Association. The Association will be incorporated under the laws of the State of Utah as a non-profit corporation. The Association, subject to the rights and duties of the Owners as set forth in the Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including the Common Facilities), and shall keep the same in a good, clean, attractive, safe, and sanitary condition, order, and repair; provided, however that each Owner shall keep the Limited Common Areas designated for use in connection with his Unit, if any, in a good, clean, safe, sanitary, and attractive condition. The Association shall be responsible for the maintenance and repair of the exterior of the Building and the grounds, including without limitation painting thereof, repair and replacement of exterior trim and roofs, and maintenance, repair, and replacement of landscaping, walkways, driveways, and parking areas. The Association shall also be responsible for maintenance, repair and replacement of Common Areas within the Building, including without limitation hallways, elevators, utility lines, Common Facilities, and all improvements and other items located within or used in connection with the Common Areas. The specification of Duties of the Association with respect to particular Common Areas shall not be construed to limit its duties with respect to other Common Areas, as set forth in the first sentence of this Section. All goods and services procured by the Association in performance of its responsibilities under this Section shall be paid for with funds from the Common Expense Fund.

(a) Each Owner shall be entitled and required to be a Member of the Association; Membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Unit is held by more than one person, the Membership appurtenant to that Unit shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which title to the Unit is held. An Owner shall be entitled to one Membership for each Unit owned by him. Each Membership shall be appurtenant to the Unit to which it relates and shall be transferred automatically by conveyance of that Unit. Ownership of a Unit within the Project cannot be separated from Membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance or other disposition of a Unit shall be construed to be a devise, encumbrance, conveyance, or other disposition, respectively, of the Owner's Membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a Member of the Association, and Membership in the Association may not be transferred except in connection with the transfer of a Unit.

(b) Pursuant to Utah Law, the Association shall be managed by a Board of Directors or Trustees and shall be known as the Management Committee. Until such time as the

responsibility for electing the Management Committee of the association is turned over to the Owners in accordance with this Declaration and Utah Law, the Declarant shall have the exclusive right to appoint, remove, and replace all such members of the Management Committee

(c) The vote appurtenant to each respective Unit and its respective weight shall be as set forth in Exhibit 'A' attached hereto and by this reference made a part hereof. The vote appurtenant to each Unit as set forth in said Exhibit 'A' shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in a duly recorded amendment of this Declaration.

(d) The provisions of this Section may be amplified by the Articles of Incorporation and By-Laws of the Association; provided, however, that no such amplification shall materially or substantially alter or amend any of the rights or obligations of the Owners set forth in this Declaration. The initial By-Laws of the Association shall be in the form of Exhibit 'B' attached hereto and by this reference made a part hereof.

(e) The Association may obtain and pay for the services of such personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration

In addition to the foregoing, the Association may acquire and pay for out of the Common Expense Fund water, sewer, garbage collection, electrical, gas, insurance, bonds, and other goods and services necessary or desirable for the Common Areas to the extent Units are not separately metered or billed.

(f) The Association may acquire and hold real, personal, and mixed property of all types for the use and benefit of all of the Owners and may dispose of such property by sale or otherwise. All such property, including Common Facilities, shall be paid for out of the Common Expense Fund and all proceeds from the disposition thereof shall be a part of such fund

(g) The Association may make reasonable Rules and Regulations governing the use of the Units, the Common Areas, the Limited Common Areas, and all parts and duties established by this Declaration. The Association may take judicial action against any Owner to enforce compliance with such Rules and Regulations or other obligations of such Owner arising hereunder, or to obtain damages for non-compliance herewith, as permitted by Law. In the event of such judicial action, the Association shall be entitled to recover its costs, including reasonable attorneys' fees, from the offending Owner.

(h) The Association may, without the vote or consent of the Owners or of any other person, grant or create, on such terms as it deems advisable, utility and similar easements and rights-of-way over, under, cross and through the Common Areas

(i) All duties, responsibilities, rights and powers imposed upon or granted to the "Management Committee" or to the 'Manager' under the Condominium Act shall be duties,

responsibilities, rights and powers of the Association hereunder

(j) The Association may exercise any right, power or privilege given to it expressly by this Declaration or by Law, and every other right or privilege reasonably implied from the existence of any right or privilege given herein or reasonably necessary to effectuate any such right or privilege.

(k) The Association shall delegate all of its rights, power and authority to the Management Committee and act by and through said Management Committee as herein set forth

21. Status and General Authority of Committee. Notwithstanding anything herein contained to the contrary, the Condominium Project shall be managed, operated and maintained by the Management Committee exclusively as agent of, and in the name of the Unit Owners and the Association and any act performed by the Management Committee pursuant to this Declaration or the By-Laws, as the same may be amended from time to time, shall be deemed to be performed by the Committee for and on behalf of the Association as its agent. The Management Committee shall have, and is hereby granted, the following authority and powers:

(a) The power and authority to enter upon any Condominium Unit to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Project.

(b) The authority, without the vote or consent of the Unit Owners, Mortgagees, insurers or guarantors of Mortgage, or of any other person(s), to grant or create, on such terms as it deems advisable, reasonable permits, licenses, and easements over, under, across, and through the Common Areas and Facilities for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Project.

(c) The authority to execute and record, on behalf of all the Unit Owners, any amendment to the Declaration or Record of Survey Map which has been approved by the vote or consent necessary to authorize such amendment.

(d) The power to sue and be sued

(e) The authority to enter into contracts which in any way concern the Project, so long as any vote or consent necessitated by the subject matter of the agreement has been obtained

(f) The power and authority to convey or transfer any interest in real property, so long as any vote or consent necessary under the circumstances has been obtained

(g) The power and authority to purchase, otherwise acquire, and accept title to, any interest in real property so long as such action has been authorized by any vote or consent which is necessary under the circumstances.

(h) The power and authority to add any interest in real property obtained pursuant to subparagraph (g) above to the Condominium Project, so long as such action has been

authorized by the necessary vote or consent.

(i) The authority to license persons not otherwise entitled to use any of the recreational areas and facilities to use the same from time to time as the Committee deems appropriate upon payment of fees prescribed by it to help defray the cost of maintenance thereof

(j) The power and authority to borrow money, provided that no indebtedness for borrowed funds shall exceed at any given time the sum of \$3,000.00 without the prior vote or approval of the Association at a meeting duly called and convened at which a quorum is present

(k) The authority to promulgate such reasonable Rules and Regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the Project is maintained and used in a manner consistent with the interest of the Unit Owners.

(l) The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions as agent of the Association and the Unit Owners

Any instrument executed by the Management Committee that recited facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is proposed to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

22. Operation and Maintenance. The Management Committee shall, as a portion of the Common Expense, pay for, or provide for the payment of, water, sewer, garbage collection and all other utility services furnished to the Project and/or the Units that are not separately metered and billed to individual Units by the utility or other party furnishing such service. Nonpayment of water, sewer, garbage collection and/or other utility bills by the Management Committee may result in the loss of those services to the Project. The Committee shall provide for such maintenance and operation of the common and Limited Common Areas and Facilities as may be reasonably necessary to make them appropriately usable in conjunction with the Units and to keep them clean, functional, attractive and generally in good condition and repair, including removal and disposal of canal grille debris

23. Manager. The Committee shall carry out its functions which are capable of delegation through a Manager. The Manager retained for such purposes shall be an individual, organization or entity experienced and qualified in the field of property management. The Manager so engaged shall be responsible for managing the Project for the benefit of the Unit Owners and shall, to the extent permitted by Law and the terms of the agreement with the Committee, be authorized to perform the functions or acts required or permitted to be performed by the Management Committee itself. The intended nature of this Project is such that a Professional Manager is absolutely essential to its successful operation. Any (3) years and shall also provide that either party may terminate the Agreement, with or without cause, and without payment of any termination fee, upon ninety (90) days written notice

24. Composition of Management Committee. The Committee shall be composed of five members. At the first annual meeting of the Association at which Committee Members are elected, three Committee members shall be elected for two-year terms and two members for three-year terms. At each annual meeting of the Association thereafter, any vacant seat on the Committee shall be filled with a member elected for a three-year term. Only Unit Owners and officers and agents of owners other than individuals shall be eligible for Committee membership. At each annual meeting the Percentage Interest/vote appurtenant to a Unit may be voted in favor of as many candidates for Committee Membership as there are seats on the Committee to be filled; provided, however, that until the happening of the event hereinafter described in this Section, Declarant alone shall be entitled to select all or any portion of the five Committee members.

The event referred to in the first paragraph of this Section shall be the first to occur of the following:

(a) Units to which an aggregate of at least ninety (90%) payment of the Percentage Interest appurtenant to the Project have been conveyed by Declarant.

(b) The expiration of seven (7) years after the date on which this Declaration is filed for record in the office of the County Recorder, Utah County, Utah.

25. Agreement to Pay Assessment. Declarant for each Unit owned by it within the Project, hereby covenants, and each Owner of any Unit by the acceptance of a deed therefor, whether or not it be so expressed in the deed, or by entering into a sale and purchase contract, shall be deemed to covenant and agree with each other and with the Association to pay to the Association annual assessments made by the Association for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article. Provided, however, that until a Unit owned by Declarant has been both fully improved with all utilities installed and occupied for the first time in accordance with Section 7 B. (a) herein, the monthly assessment applicable to such Unit shall be ten (10%) percent of the monthly assessment fixed for other units.

(a) Amount of Total Annual Assessments. The total annual assessments against all Units shall be based upon advanced estimates of cash requirements by the Committee to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas, which estimates may include, among other things, expenses of management, taxes and special assessments, (until the Units are separately assessed as provided herein), premiums for all insurance which the Committee is required or permitted to maintain pursuant hereto, repairs and maintenance of the Common Areas that must be replaced on a periodic basis, wages for Committee employees, legal and accounting fees, any deficit remaining from a previous period; the creation of a reasonable contingency reserve, surplus and/or sinking fund; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration. The Committee shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Areas and Facilities and those Limited Common Areas which the Committee is obligated to maintain. As provided in the immediately foregoing paragraph, such fund shall be

maintained out of regular monthly payments of Common Expenses.

(b) Apportionment of Annual and Special Assessments. Expenses attributable to the Common Areas and to the Project as a whole shall be apportioned among all Owners in proportion to their respective Percentage Interests in the Common Areas.

(c) Notice of Annual Assessments and Time for Payment. Annual assessments shall be made on a calendar year basis, provided the first fiscal year shall commence on the date this Declaration is recorded in the office of the Recorder of Utah County, Utah and end the following December 31. The foregoing method of assessing the common expenses to the Unit Owners shall commence when the Declarant conveys the first unit to a purchaser. On or before December 15, 1987, and on or before December 15 of each year thereafter, the Association shall prepare and furnish to each Owner, or cause to be prepared and furnished to each Owner, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated amounts of Common Expense for such fiscal year, anticipated receipts (if any), and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the Annual Assessment for the upcoming fiscal year and as the major guideline by which the Project shall be operated during such annual period. Budgets shall be unnecessary for annual Assessments relative to or for operation of the Project during any operating period being before January 1, 1988. Such assessments shall be due and payable in a single lump sum payment within thirty (30) days after the beginning of the calendar year; provided, however at the discretion of the Management Committee, the annual assessment may be made in equal monthly installments on the first day of each and every month, provided each installment is paid in a timely fashion, time being of the essence. In the event an installment payment is not made or is late, the entire unpaid balance of the annual assessment will be automatically accelerated and will be due and payable immediately; provided, however, that the first annual assessment shall be for the balance of the calendar year remaining after the day fixed by the Committee as the date of commencement of the Project. The original assessment shall be due and payable within thirty (30) days after written notice of the amount thereof shall have been given to the respective Owner of that Unit. Each assessment shall bear interest at the rate of at least eighteen percent (18%) per annum from the date it becomes due and payable until paid. The Management Committee shall have the power and authority to change this interest rate annually in accordance with the prevailing rates, though it shall not be obligated to do so. Moreover, the Committee may impose a late payment service charge equal to or greater than ten dollars (\$10) for each delinquent assessment. Assessments shall commence as to Units sold from the date of closing of sale, and as to all unsold Units no later than sixty (60) days from the date of closing of the first Unit sold. Each time a legal title to a Unit passes from one person to another, within thirty (30) days after the effective date of such sale transaction the new Unit Owner shall pay to the Committee, in addition to any other required amounts the sum of \$50.00 or such other reasonable sum as the Committee deems proper. The provisions for payment of assessments shall apply to the collection of such sum. The sums received by the Committee pursuant to this "sale transaction or transfer fee" shall be held by it as a contingency reserve and shall be used at such times and for such purposes as the Committee may determine.

(d) Except with respect to the first and second fiscal years, the Association shall notify each Owner as to the amount of the Annual Assessment against his Condominium Unit or before December 15 each year for the fiscal year beginning on January 1, next following

(e) Inadequate Funds. In the event that the Common Expense Fund proves inadequate at any time for whatever reason, including nonpayment of any Owner's assessment, the Association may levy additional assessments in accordance with the procedure set forth below, except that the vote therein specified shall be unnecessary

(f) Special Assessments for Capital Improvements. In addition to the Annual Assessments authorized by this Article, the Association may, at any time and from time to time, upon affirmative vote of at least *sixty* percent (60%) of the total votes of the Association, levy 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 Section shall not be construed as an independent source of authority for the Committee to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections hereof. Any amounts assessed pursuant hereto shall be assessed to owners in proportion to their respective Percentage Interests in the Common Areas. Notice in writing of the amount of such special assessments and the time for payment shall be due not less than fifteen (15) days after such notice shall have been given. A special assessment shall bear interest at the rate of at least eighteen percent (18%) per annum from the date it becomes due and payable if not paid within fifteen (15) days after such date. Again, the Management Committee shall have the power and the authority, though not the duty, to alter this interest rate with each special assessment to reflect the prevailing interest rate.

(g) Lien for Assessments. All sums assessed to any Unit pursuant to this Declaration, 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 only for: (i) valid tax and special assessment liens on the Unit in favor of any governmental assessing authority; and (ii) a lien for all sums unpaid on a first mortgage, or on any mortgage to Declarant, duly recorded in the official Records of Utah County, Utah, including all unpaid obligatory advances to be made pursuant to such Mortgage and secured by the lien thereof in accordance with the terms of such instrument. All other lienors acquiring liens on any Unit after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the encumbrances creating such lien. To evidence a lien for sums assessed hereunder, the Committee may prepare a written notice of lien setting forth the amount of the Assessment, the date due, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. Such a notice shall be signed by the Committee or its authorized agent and may be recorded in the office of the County Recorder of Utah County, Utah. No notice of lien shall be recorded until there is a delinquency in the payment of the assessment. Such lien may be enforced by judicial foreclosure by the Committee in the same manner in which mortgages on real property may be foreclosed in Utah. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of the lien and all court costs and reasonable attorneys' fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Committee any assessments against the Unit which shall become due during the period of foreclosure. In the event of foreclosure, after the institution of the action the Unit Owner shall pay a reasonable rental for his use of the Unit and the

Committee, shall, without regard to the value of the Unit be entitled to the appointment of a receiver to collect any rental due from the Owner or any other person. The Committee shall have the right and power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof. A release of notice of lien shall be executed by the Committee and recorded in the office of the County Recorder of Utah County, Utah, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien. Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created hereunder, and upon such payment such encumbrancer shall be subrogated to all rights of the Committee with respect to such lien, including priority. The Committee shall report to any encumbrancer of a Unit of unpaid assessments remaining unpaid for thirty days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the Committee written notice of such encumbrancer and a request therefrom for such reporting.

(h) Personal Obligation of Owner. 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 Committee without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by forfeiting the use and enjoyment of any of the Common Areas or by abandonment of his Unit. The Association shall be entitled to collect all related costs including but not limited to a reasonable attorney's fee.

(i) Statement of Account. Upon payment of a reasonable fee not to exceed ten dollars (\$10.00), or such other amount as may in the future be allowed by the Act, and upon written request by any Owner or any Mortgagee, prospective Mortgagee or prospective purchaser of a Unit, the Committee shall issue a written statement setting forth the amount of the unpaid assessments, if any, with regard to such Unit; amount of the current yearly assessment and the date that such assessment become or became due; credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of pre-paid insurance premiums, and such statement shall be conferred upon the Committee in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied within twenty (20) days, all unpaid assessments which are due prior to the date of making such request shall be subordinated to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligation of the purchaser shall be released automatically if the statement is not furnished within the twenty (20) day period provided herein and thereafter, if an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Unit.

(j) Personal Liability of Purchaser for Assessments. Subject to the provisions of subparagraph (i), a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

(k) Amendment of Article. Except for Declarants right to unilaterally amend this Declaration as set forth herein, this Article shall not be amended unless seventy-five (75%) percent of the Owners of all Units in the Project consent and agree to such amendment in a duly recorded instrument.

26 Remedies for Nonpayment. Should any Unit Owner fail to pay when due his share of the Common Expenses, the delinquent payment shall bear interest at the rate of 18% per annum and the Committee may enforce any remedy provided in the Act or otherwise available for collection of delinquent Common Expense assessments. Regardless of the terms of any agreement to the contrary, liability for the payment of Common Expense assessments shall be joint and several, and any remedy for the collection of such assessments may be enforced against any Owner of the Unit concerned or against the Unit itself. The personal obligation of an Owner to pay his share of the Common Expenses shall not pass to successors in title proceedings, shall include the Committee's costs and expenses and reasonable attorney's fees

27. Transition of Project Management. Notwithstanding anything to the contrary contained in this Declaration, Declarant may at any time relinquish its reserved right to select the members of the Committee and to transfer the management of the Project to the Committee as elected by the Unit Owners. If and when Declarant elects to do so, the Declarant shall notify Owners in writing the effective date of such transfer (Transfer Date) at least 45 days prior thereto. Thereupon, the Owners shall call a meeting to elect the members of the Management Committee to take office as of the Transfer Date. Declarant covenants to cooperate with Unit Owners in effecting orderly transition of management. Moreover, Declarant shall cause all obligations for Common Expenses of the Committee prior to the Transfer Date to be paid in full on or before such date. Accordingly, it is intended that the cash position of the Committee as of the Transfer Date will be zero.

28. Limitation on Improvements by Association. Until occurrence of the event described in the second paragraph of section 18 of the Article, neither the Association nor the Management Committee shall, without the written consent of Declarant, make any improvements to or alteration in any of the Common Areas and Facilities other than such repairs, replacements or similar matters as may be necessary to properly maintain the Common Areas as originally created or constructed by Declarant.

29 Capital Improvements. Additions or capital improvements to the Project which cost no more than \$2,500.00 may be authorized by the Management Committee alone. Additions or capital improvements the cost of which will exceed such amount must, prior to being constructed or accomplished, be authorized by at least a majority of the undivided ownership interest. All provisions of this Section 29 are subject to the limitations imposed by the foregoing Section 28.

30 Hazard Insurance. The Management Committee or association of Unit Owners shall at all times maintain in force, and pay the premiums for, hazard insurance meeting the following requirements:

(a) A "master" or "blanket" type policy of property insurance shall be maintained covering the entire Project, including: Common Areas and Facilities; Limited Common Areas;

Units; fixtures, building service equipment, personal property, and supplies comprising a part of the Common Areas and Facilities or owned by the Management Committee or the Owners Association; and fixtures, equipment, or other property comprising a part of or located within any Unit and which are of a class typically encumbered by mortgages held by the Federal National Mortgage Association (hereinafter 'FNMA') or other similar institutional Mortgage investors; but excluding land, foundations, excavation, and other items normally not covered by such policies. References herein to a 'master' or 'blanket' type policy of property insurance are intended to denote single entity condominium insurance coverage. As a minimum, such 'master' or 'blanket' policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement, and by all other perils which are customarily covered with respect to condominium projects similar to the Project in construction, location, and use, including (without limitation) all perils normally covered by the standard "all risk" endorsement, where such endorsement is available. Such "master" or 'blanket' policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all elements of the Project covered by such policy, exclusive of land, foundations, excavation, and other items normally excluded from coverage

(b) If a steam boiler is or comes to be in operation in the Project, there shall be maintained a policy of insurance providing coverage against loss or damage resulting from steam boiler equipment accidents in an amount not less than fifty thousand dollars (\$50,000.00) per accident per location or such greater amount as deemed prudent based on the nature of the Project.

(c) If the Project is or comes to be situated in an area having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program ("NFIP"), a 'master' or 'blanket' policy of flood insurance shall be maintained covering the Buildings and any other property covered by the required form of policy (hereinafter 'insurable property') in an amount deemed appropriate, but not less than the lesser of: (i) the maximum limit of coverage available under NFIP for all Buildings and Insurable Property within the Project; or (ii) one hundred percent (100%) of current replacement cost of all such Buildings and Insurable Property. Such policy shall be in a form which meets the criteria set forth in the most current guidelines on the subject issues by the Federal Insurance Administrator.

(d) The name of the insured under each policy required to be maintained by the foregoing items (a), (b), and (c) shall be set forth therein substantially as follows: Association of Unit Owners of the North Canyon Condominium Project for the use and benefit of the individual owners (Said Owners shall be designated by name if required) Notwithstanding the requirement of the two immediately foregoing sentences, each such policy may be issued in the name of an authorized representative of the Association, including any Insurance Trustee with whom the Association has entered into an Insurance Trust Agreement, or any successor to such Trustee, for the use and benefit of the individual Unit Owners. Loss payable shall be in favor of the Owners Association (or Insurance Trustee), as a trustee for each Unit Owner and each such Owner's Mortgage. Each Unit Owner and each such Owner's Mortgagee, if any, shall be beneficiaries of such Owner's undivided ownership interest in the Common Areas and Facilities. Evidence of insurance shall be issued to each Unit Owner and Mortgagee upon request

(e) Each policy required to be maintained by the foregoing items (a), (b), and (c)

shall contain the standard mortgage clause, or equivalent endorsement (without contribution), commonly accepted by private institutional Mortgage investors in the area in which the Project is located. If FNMA is a holder of one or more Mortgages on Condominium Units within the Project, such mortgage clause shall name FNMA or FNMA's servicer of such Mortgages as Mortgagee. If FNMA's servicer is named as mortgagee in such mortgage clause, such servicer's name shall be followed therein by the phrase 'its successors and assigns'. In addition, such mortgage clause of another appropriate provision of each such policy shall provide that the policy may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in the policy.

(f) Each policy required to be maintained by the foregoing items (a), (b), and (c) shall provide for the following: recognition of any insurance trust agreement; a waiver of the right of subrogation against Unit Owners individually; the insurance is not prejudiced by any act or neglect of individual Unit Owners which is not in the control of Unit Owners collectively and the policy is primary in the event the Unit Owner has other insurance covering the same loss. The requirements stated in this item (f) are generally provided by the insurer in the form of a "Special Condominium Endorsement" or its equivalent.

(g) Each policy required to be maintained by the foregoing items (a), (b), and (c) shall also contain or provide the following: (i) "Agreed amount and Inflation Guard Endorsement" if available; and (ii) "Construction Code Endorsements: (such as a "Demolition Cost Endorsement", a "Contingent Liability from Operation of Building Laws Endorsement" and an "Increased Cost of Construction Endorsement"), if the Project is subject to a construction code provision which would become operative upon Partial or Substantial Destruction and require changes to undamaged portions of the Building, thereby imposing significant costs in the event of such Destruction of the Project by an insured peril.

31 Fidelity Bonds. The Management Committee or the Association of Unit Owners shall at all times maintain in force and pay the premiums for, "blanket" fidelity bonds for all officers, members, and employees of the Committee and the Association and for all other persons handling or responsible for funds of or administered by the Committee or the Association. Furthermore, where the Committee or the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such bonds are required for the management agent's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Committee or the Association. The total amount of fidelity bond coverage required shall be based upon best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Committee, the Association, or the management agent, as the case may be, at any given time during the term of each bond. Nevertheless, in no event may the amount of such bonds be less than a sum equal to three months' aggregate assessments on all Condominium Units plus reserve funds. The bonds required shall meet the following additional requirements: (i) the fidelity bonds shall name the Committee and the Owners Association as obligees; (ii) the bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions; (iii) the premiums on all bonds required herein for the Committee and the Association (except for premiums on fidelity bonds maintained by a management agent for its officers, employees and

agents) shall be paid by the Committee or the Association as part of the Common Expenses; and (iv) the bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Committee and the Association, to any Insurance Trustee, and to each servicer of loans on behalf of FNMA.

32. Liability Insurance. The Management Committee or Association of Unit Owners shall maintain in force, and pay the premium for, a policy providing comprehensive general liability insurance coverage covering all of the Common Areas and Facilities, public ways in the Project, if any, the parking facilities, and any and all Common Areas owned and maintained by the Association or the Committee. The coverage limits under such policy shall be in amounts generally required by private institutional Mortgage investors for condominium projects similar to the Project in construction, location, and use. Nevertheless, such coverage shall be for at least One Million Dollars (\$1,000,000.00) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the Common Areas and Facilities, and legal liability insurance. Such policy shall provide that it may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in such policy. 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 standard amounts required by private institutional mortgage investors on similar projects in location, construction and use.

33. Insurance Trustee and General Requirements Concerning Insurance.

Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured on behalf of the Committee and the Association, the Association's authorized representative including any trustee with whom the Committee and the Association may enter into any Insurance Trust Agreement, or any successor to such trustee (each of whom shall be referred to herein as the 'Insurance Trustee'), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Each Unit Owner hereby appoints to committee, or any Insurance Trustee or substitute Insurance Trustee designated by the Committee, as his or her attorney-in-fact for the purposes of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Committee, or any Insurance Trustee, shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for Unit Owners and their mortgagees, as their interest may appear.

The following additional provisions shall apply with respect to insurance:

- (a) In addition to the insurance and bond coverage described above, the Committee shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with all condominium projects similar to the Project.

in construction, nature and use

(b) The Committee shall have exclusive authority to adjust or to delegate the adjustment of losses

(c) Insurance secured and maintained by the Committee shall not be brought into contribution with insurance held by the individual Unit Owners or their mortgagees.

(d) Any Unit Owner may obtain additional insurance at his own expense, so long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the Committee. Any Unit Owner who individually obtains insurance covering any portion of the Project shall supply the Committee with a copy of his policy within 30 days after he acquires such insurance.

(e) Insurance coverage required herein must not be prejudiced by (i) any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association, or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the Project over which the Association has no control.

(f) All policies of property insurance must provide that notwithstanding any provisions affording the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any Insurance Trustee) or when in conflict with the provisions of any insurance trust agreement to which the insurance may be a party, or any requirement of Law

Each insurance policy maintained pursuant to the foregoing Section 30, 31, and 32 shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a financial rating by Best's Key Rating Guide of Class VI or better. No such policy shall be maintained where: (i) under the terms of the carrier's charter, bylaws, or policy, contributions may be required from, or assessments may be made against, a Unit Owner, a borrower, a Mortgagee, the Management Committee, the Association of Unit Owners, FNMA, or the designee of FNMA; (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 the party entitled (including, without limitation, the Committee, the Association, a Unit Owner, FNMA, or the borrowers) from collecting insurance proceeds. The provisions of this Section 33 and of the foregoing Sections 30, 31, and 32 shall not be construed to limit the power or authority of hereunder, in such amount and in such forms as the Management Committee or Association may deem appropriate from time to time.

34 Owner's Own Insurance. Each Owner, at his own expense shall procure and maintain at all times fire and extended coverage insurance covering all furnishings, fixtures, appliances, equipment, and improvements located in his Unit against loss by fire and other casualties, including without limitation vandalism and malicious mischief, in an amount equal to at least eighty percent (80%) of the full replacement value thereof. All policies providing such casualty insurance shall provide that they do not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this

Declaration, and all proceeds of such shall be used exclusively to repair and replace such furnishings, fixtures, appliances, equipment, and improvements. Each Owner shall provide satisfactory evidence of such casualty insurance to the Association promptly upon request. Notwithstanding the provisions hereof, each Owner may obtain insurance at his own expense providing coverage upon his Condominium, his personal property, for his personal liability, and covering such other risks as he may deem appropriate; provided that each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Declaration. If obtainable all such insurance of the Owner's Condominium and risks associated therewith shall contain a waiver of the insurance company's right of subrogation against the Association, the Declarant, the Manager, other owners, and their respective servants, agents, and guests

35. Damage to Project. In the event of damage of or destruction of part or all of the improvements in the Condominium Project, the following procedures shall apply:

(a) Association as Attorney in Fact. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney in fact in their name, place and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute an appointment by said grantee of the Association as his attorney which shall have full and complete authorization, right, and power to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted.

(b) Definition of Repair and Reconstruction. Repair and reconstruction of the improvements as used herein means restoring the Project to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas having substantially the same vertical and horizontal boundaries as before.

(c) Procedures. In the event any part of the Project is damaged or destroyed, the Association shall proceed as follows:

(i) Estimate of Costs. As soon as practicable after an event causing damage to or destruction of any part of the Project, the Association shall obtain complete and reliable estimates of the costs to repair and reconstruct that part of the Project damaged or destroyed.

(ii) Sufficient Insurance. If the proceeds of the insurance maintained by the Association exceed the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, such repair and reconstruction, the Association shall levy a Special Assessment sufficient to provide funds to pay such actual costs-of repair and reconstruction. Such Special Assessment shall be allocated and collected as provided herein, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) prove insufficient to pay all actual costs of such repair and reconstruction

(iii) Insufficient Insurance--Less than 75% Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and

reconstruct the damaged or destroyed part of the Project and if less than seventy-five percent (75%) of the Building is damaged or destroyed, such repair and reconstruction shall nevertheless be carried out. The Association shall levy a Special Assessment sufficient to provide funds to pay the actual costs of such repair and reconstruction to the extent that such insurance proceeds are insufficient to pay such costs. Such Special Assessments shall be allocated and collected as provided herein, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

(iv) Insufficient Insurance--75% or more Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if seventy-five percent (75%) or more of the Building is damaged or destroyed, such damage or destruction shall be repaired and reconstructed as provided herein, if but only if, within one hundred (100) days after such damage or destruction, the Owners shall elect by a vote of at least seventy-five percent (75%) of the total votes of the Association to carry out such repair and reconstruction. If, however, the Owners shall not, within one hundred (100) days after such damage or destruction, elect by a vote of at least seventy-five (75%) of the total votes of the Association to carry out such repair and reconstruction, the Association shall record in the office of the County Recorder of Utah County, State of Utah, a notice setting forth such facts. Upon the recording of such notice, the following shall occur:

(1) The Project shall be deemed to be owned in common by the Owners;

(2) The undivided interest in the Project owned in common which shall appertain to each Owner shall be the percentage of undivided interest previously owned by such Owner in the Common Areas;

(3) Any liens affecting any of the Condominiums shall be deemed to be transferred, in accordance with the existing priorities, to the undivided interest or the respective Owner in the Project; and

(4) The Project shall be subject to an action for partition at the suit of the Owners, in which event the net proceeds of any sale resulting from such suit for partition, together with the net proceeds of the insurance on the Project, if any, shall be considered as one fund and shall be divided among all Owners in a percentage equal to the percentage of undivided interest owned by each respective Owner in the Common Areas, as set forth in Exhibit "A" hereto, after first paying out of the respective share of each Owner, to the extent sufficient for the purpose, all liens on the undivided interest in the Project owed by such Owner.

(d) Repair or reconstruction. If the damage or destruction is to be repaired and reconstructed as provided above, the Association shall, as soon as practicable after receiving the said estimate of costs, commence and diligently pursue to completion the repair and reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair and reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith, except as otherwise expressly provided herein. The Project shall be restored or

repaired to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas having the same vertical and horizontal boundaries as before.

(e) Disbursement of Funds for Repair and Reconstruction. If repair or reconstruction is to occur, the insurance proceeds held by the Association and any amounts received from assessments made pursuant to Section (b) and (c) hereof shall constitute a fund for the payment of costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost of repair and reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to their respective percentages of ownership in the Common Areas

(f) Amendment of Articles. Except for Declarant's unilateral right to amend this Declaration as set forth herein, this Section shall not be amended unless seventy-five percent (75%) of the Owners of all Units in the Project consent and agree to such amendment by duly executed and recorded instrument.

36. Certain Provisions Applicable to Declarant. Notwithstanding any other provision herein contained, for so long as Declarant continues to own any of the Units the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Declarant from any obligations as Unit Owner to pay assessments, except as herein otherwise provided, as to each Unit owned by Declarant in accordance with the Declaration

(a) Declarant specifically disclaims any intent to have made any warranty or representation in connection with the Project or the Declaration except as specifically set forth herein or in any agreement for sale of a Unit, and no person shall rely upon any warranty or representation not so specifically made therein.

(b) No amendment may be made to the Declaration without the written consent of the Declarant so long as Declarant retains the ownership of five (5) or more Units; provided, however, that the obligation to acquire said written consent of the Declarant shall cease on a date seven (7) years from the date of recording of this Declaration

37 Amendment. Except as hereinafter provided, the vote of at least sixty (60%) percent of the Percentage Interest of the Unit Owners in person or represented by proxy at a meeting of the Association at which a quorum is present shall be required to amend the Declaration or the Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Management Committee. In such instrument the Committee shall certify that the vote required by this paragraph for amendment has occurred. The foregoing right of amendment shall be subject to the following paramount rights:

(a) Notwithstanding anything to the contrary contained in the Declaration, until all but five (5) Units of the entire Project have been sold, Declarant shall have, and is hereby vested with, the right to unilaterally amend this Declaration or the Map. Such right shall obtain without regard to the subject matter or amendment, so long as the amendment involved is consistent

with Law and does not attempt to divest any vested property rights of any Owner or first Mortgagee.

(b) Notwithstanding anything to the contrary contained in the Declaration, including in the immediately preceding paragraph, neither the insurance provisions of Sections 30, 31, 32 and 33 nor the rights of Mortgagee protection provisions of this Declaration shall be amended without the written approval of all institutional first Mortgagees

38. Consent in Lieu of Vote. In any case in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided interest for authorization or approval of an act or a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the stated percentage of undivided ownership interest. The following additional provisions shall govern any application of this Section 38:

(a) All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner

(b) Any change in ownership of a Condominium Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose.

(c) Unless the consent of all Owners having an interest in the same Unit is secured, the consent of none or the Owners shall be effective.

39. Condemnation. If at any time or times during the continuance of the condominium ownership pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions shall apply:

(a) Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the 'condemnation award', shall be payable to the Association

(b) Complete Taking. In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among and paid to the Owners in the same proportion as undivided interests in Common Areas are held as provided in Exhibit 'A' of this Declaration

(c) Partial Taking. In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner; As soon as practicable the Association shall, reasonably and in good faith, allocate the Condemnation Award between compensation of damages, or other proceeds, and shall apportion the amounts to be prorated among the Owners, as follows: (i) the total amount related to taking of or injury to the Common Areas shall be apportioned among Owners in proportion to their respective undivided interests in the Common Areas, (ii) the total amount allocated to severance damages shall be apportioned

to those Condominium Units which have been taken or condemned, (iii) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an Owner has made within his own Unit shall be apportioned to the particular Unit involved, and (iv) the total amount allocated to any partial damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Allocation of apportioned proceeds shall be made by checks payable jointly to the Owners and their Mortgagees respectively.

(d) Reorganization. In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association. Thereafter the Association shall reallocate the ownership, voting rights, and assessments to be determined in accordance with this Declaration according to the allocation principles employed in this Declaration at its inception and shall submit such reallocation to the Owners of remaining Units for amendment of this Declaration.

(e) Reconstruction and Repair. Any reconstruction or repair necessitated by condemnation shall be governed by the procedures specified herein in cases of Casualty Damage or Destruction.

40. Obsolescence. The Owners may at any time by an affirmative vote of at least eighty-five percent (85%) or more of the total votes of the Association at a Special Meeting of the Association called for that purpose agree that the Project is obsolete and adopt a restoration plan for the renewal and reconstruction of the Project, provided that such plan has the unanimous written approval of all eligible Mortgagees of record at the time of the adoption of such a plan. Complete notice of adoption of such a plan be given to all Owners

(a) Payment for Renewal and Reconstruction. The Association shall levy Special Assessment sufficient to provide funds for the estimated expenses of renewal or reconstruction. Such Special assessment shall be allocated and collected as provided herein, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amount collected prove insufficient to pay the actual expenses of such renewal or reconstruction. In the event amounts collected pursuant hereto are in excess of the amounts required for renewal or reconstruction, such excess shall be allocated to the Owners in proportion to their respective percentages of ownership of the Common Areas.

(b) Sale of the Project. Notwithstanding any other provision of this Declaration, the Owners may at any time, by an affirmative vote of at least eighty-five percent (85%) of the total votes of the Association at a special meeting of the Association called for that purpose, elect to sell or otherwise dispose of the Project. In such case, the Association shall forthwith record in the office of the County Recorder of Utah County, Utah, a notice setting forth such facts, and upon the recording of such notice by the Association, the Project shall be sold or otherwise disposed of by the Association as attorney in fact for all of the Owners. Such action shall be binding upon all the Owners and each Owner shall have the duty to execute and deliver such instruments and to perform all acts in such manner and form as may be necessary or appropriate to effect such sale or disposition of the Project. The proceeds of such sale or disposition shall be

apportioned among the Owners in Proportion to their respective undivided interests in the Common Areas, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Unit. Each such account shall remain in the name of the Association, and shall be further designated by the Unit designation and the name of the Owner. The Association, as attorney in fact, shall use and disburse the total amount of each such amount, without contribution from one account to another, first to the payment of valid tax and special assessment liens on the Unit in favor of any governmental assessing authority, second to the payment of assessments made pursuant to this Declaration, third to the payment of other holders of liens or encumbrances on the Unit in the order of priority of their liens, and the balance remaining, in any, to the respective Owner.

(c) Removal from provisions of the Act. All of the Unit Owners may remove a property 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 Owner in the property.

(d) Removal no bar to subsequent resubmission. The removal provided for above shall not bar the subsequent resubmission of the property to the provisions of the Act.

41 Rights of Mortgagee. Notwithstanding anything to the contrary contained in the Declaration:

(a) An adequate reserve fund for repair, maintenance and replacement of those elements of the Common Areas that must be replaced on a periodic basis must be established and shall be funded by regular monthly payments rather than by special assessments.

(b) The lien or claim against a Condominium Unit for unpaid assessments or charges levied by the Management Committee or by the Association of Unit Owners pursuant to this Declaration or the Act shall be subordinate to any Mortgage recorded on or before the date such assessments or charges became due. In the event that the State of Utah should enact the Uniform Condominium Act or any other statute applicable to condominiums with a provision that would allow such assessments or charges, including special assessments, to have a limited priority over a Mortgage recorded before such assessments or charges became due, or in the event that the State of Utah should enact any law which would allow a lien for unpaid assessments or charges to survive foreclosure or exercise of a power of sale, all such assessments and charges, including special assessments, shall after the date of such enactment be made due and payable to the Committee or the Association on a monthly basis and the lien for any fees, late charges, fines, or interest that may be levied by the Committee or the Association in connection with such unpaid assessments or charges shall be deemed subordinate to the Mortgage on the Condominium Unit upon which such assessment or charges are levied.

(c) The lien or claim against a Condominium Unit for such unpaid assessments or charges shall not be affected by any sale or transfer of such Condominium Unit, except that a sale or transfer pursuant to a foreclosure of the mortgage affecting such Unit or the exercise of a

power of sale available thereunder shall extinguish a subordinate lien for such assessments or charges which became payable prior to such sale or transfer. Nevertheless, any such unpaid assessments or charges which are extinguished in accordance with the foregoing sentence may be reallocated and assessed to all Condominium Units as Common Expenses. Any such sale or transfer pursuant to a foreclosure or power of sale shall not relieve the purchaser or transferee of such Unit from liability for, nor such Unit from the lien of, any assessments or charges becoming due thereafter.

(d) The Committee or the Association shall make available to Unit Owners, to lenders, and to holders, insurers, or guarantors or any Mortgage current copies of this Declaration, the Survey Map, any Rules and/or Regulations concerning the Project, and the books, records, and financial statements of the Committee and the Association "Available", as used in this Paragraph, shall mean available for inspection upon request during normal business hours or under other reasonable circumstances.

(e) Any mortgage holder which comes into possession of a Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (or assignment in lieu of foreclosure) shall be exempt from any "right of first refusal" or other provisions which may exist relating to sale or lease of the Units in the Project, and no right of first refusal shall impair the rights of any first mortgage to: (i) foreclose or take title to a Unit pursuant to the remedies provided in the mortgage, or (ii) accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or (iii) interfere with a subsequent sale or lease of the Unit so acquired by the Mortgagee.

(f) Upon written request to the Committee or the Association by the holder, insurer, or guarantor of a Mortgage (which request identifies the name and address of such holder, insurer or guarantor and the Unit number or address of the Unit encumbered by the Mortgage held or insured by such holder, insurer or guarantor), such holder, insurer, or guarantor shall be deemed thereafter to be an Eligible Mortgagee or Eligible Insurer or Guarantor (as the case may be), shall be included on the appropriate lists maintained by the Association, and shall be e-titled to timely written notice of any of the following:

(1) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Condominium Unit on which there is a Mortgage held, insured, or guaranteed by such Eligible Mortgagee or such Eligible Insurer or Guarantor.

(2) Any delinquency in the payment of assessments or charges owed by an Owner of a Condominium Unit subject to a Mortgage held, insured or guaranteed by such Eligible Mortgagee or such Eligible Insurer or Guarantor, which delinquency remains uncured for a period of 60 days.

(3) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Committee or the Association.

(4) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified within this Declaration.

(g) Any lien which the Management Committee or the Association may have on any

Unit in the Project for the payment of Common Expenses or assessments attributable to such Unit will be subordinate to the lien or equivalent security interest of any Mortgage on the Unit recorded prior to the date any such common Expense assessments or charges became due.

(h) The right of a Unit Owner to sell, transfer, or otherwise convey his or her Condominium Unit shall not be subject to any right of first refusal or similar restriction

(i) Unless 100% of the institutional holders of first mortgages (based on one vote for each Mortgage owned) of Units have given their written approval, neither the Management Committee, Declarant, Owners, nor the Association shall:

(1) By act or omission, seek to abandon or terminate the Project, except in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

(2) Change the Percentage Interest or obligations of any Unit for (1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for (ii) determining the pro-rate share of ownership of each Unit in the appurtenant Common Areas.

(3) Partition or subdivide any Unit or of the Common Area.

(4) Make any material amendment to the Declaration or to the By-Laws of the Association, including, but not limited to, any amendment which would change the percentage interests of the Unit Owners in the Common Areas, terminate professional management and/or permit self management of the Project.

(5) By act or omission, seek to amend, partition, subdivide, encumber, sell, abandon or transfer the Common Areas (The granting of easements for public utilities or for other service purposes consistent with the intended use of the Common Areas of the Project shall not be deemed a transfer within the meaning of this subparagraph)

(6) Use hazard insurance proceeds for losses to any condominium property (whether to Units or to the Common Areas) for other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or the Common Areas of the Project

(j) Any institutional holder of a Mortgage (or trust deed) of a Unit in the Project will, upon request, be entitled to examine the books and records of the Project during normal business hours.

(k) Whenever there is a change of ownership of a Unit, the Committee shall require that the new Unit Owner furnish the Committee with the name of the holder of any Mortgage (or trust deed) affecting the Unit. The Management Committee or Manager shall maintain a current roster of Unit Owners and of the holders of Mortgages (or trust deed) affecting Units in the Project

(l) Any agreement for professional management which may be entered into by the

Committee or the Association shall provide for a term not exceeding three (3) years and shall also provide that either party, with or without cause, and without payment of any termination fee, may terminate such agreement upon ninety (90) days written notice.

(m) All leases or rental agreements for Condominium Units shall be in writing and specifically subject to the provisions, restrictions, and requirements of the Declaration and Survey Map.

42. Duty of Owner to Pay Taxes on Unit Owned It is understood that under the Act each Unit (and its percentage interest in the Common Areas) in the Project is subject to separate assessment and taxation of each taxing authority and the special district(s) for all types of taxes and assessments authorized by law, and that as a result thereof, no taxes will be assessed or levied against the Project as such, except for certain personal properties thereof. Accordingly, each Unit Owner will pay and discharge any and all taxes and assessments which may be assessed against him on his Unit.

43. Covenants to Run with Land Compliance This Declaration and all the provisions hereof shall constitute covenants running with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of the Declarant, all parties who hereafter acquire any interest in a Unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Units shall be subject to, the terms of the Act, the terms of this Declaration, the By-Laws, and the provisions of any Rules, Regulations, agreements, instruments, and determinations contemplated by this Declaration, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Committee on behalf of the Unit Owners, or, in a proper case, by an aggrieved Unit Owner.

By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

44. Enforcement Subject to the provisions of Section 45 of this Article, the Declarant, the Management Committee, and any aggrieved Unit Owner shall have a right of action against the Declarant, the Committee or any Unit Owner for any failure by such person or entity to comply with this Declaration, the Survey Map, or the provisions of any rules, regulations, agreements, instruments, supplements, amendments, or determinations contemplated by this Declaration.

45. Management Committee Liability No member of the Management Committee shall be liable to the Unit Owners for any mistake of judgment, for negligence, or on other grounds except for such member's own individual and willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each member of the Management Committee from and against all liability to third parties arising out of any contract made by the Management Committee on behalf of the Owners, unless such contract was made in bad faith or contrary to the provisions of the Act or this Declaration. The liability of any Unit Owner arising out of any

contract made by the Management Committee or out of the indemnification provision set forth in the foregoing portion of this Section 45, shall be limited to the total liability concerned multiplied by such Owner's undivided interest in the Common Areas.

46. Information Regarding Transferee of Unit. Any Unit Owner who sells, leases, or otherwise disposes of his Unit shall submit to the Committee pertinent information concerning the transferees or new occupant within one week of any transfer of title or possession on a form furnished by the Committee

47. Intent and Purpose. The provisions of this Declaration, and any supplemental or amended Declaration, shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a Condominium Project. Failure to enforce any provision, restriction, covenant, or condition contained in this Declaration, or in any supplemental or amended Declaration, shall not operate as a waiver of any such provisions, restrictions, covenants or conditions.

48. Construction. The provisions of this Declaration shall be in addition and supplemental to the provisions of the Act and all other provisions of law. Whenever used herein, unless the context shall otherwise require, the singular shall include any part thereof, and any gender shall include both other genders. The Article and Section headings set forth herein are for convenience and reference interpretation of this Declaration or any provision hereof.

49. Topical Headings. The topical headings, and/or the order in which they are used, contained in this Declaration are for convenience only and do not define, limit or construe the contents of the Declaration.

50. Severability. The invalidity of any one or more phrases, sentences, sub paragraphs, paragraphs, subsections or sections hereof shall not affect the remaining portions of this instrument should any such be deemed invalid or should operate to render this instrument invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, subsection or subsections or section or sections had not been inserted.

51. Notices and Registration of Mailing Address. Each owner shall register from time to time with the Association his current mailing address. All notices, demands, and other communications to any Owner as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally delivered or if sent by first class U.S. mail, postage prepaid, addressed to the Owner at his registered mailing address, or, if no address has been registered, to the Unit of such Owner. All notices, demands, and other communications to the Association as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally delivered or is sent by first class U.S. mail, postage prepaid, addressed to the Association at its office at P.O. BOX 51 Provo, Utah 84603, or to such other address as the Association may hereafter specify to the Owners in writing. Any notice, demand, or communication referred to in this Declaration shall be deemed to have been given and received when personally delivered or when deposited in the U.S. mail, postage prepaid, and in the form provided for in this section, as the case may be.

The Committee shall maintain up-to-date records showing: (i) the name of each person who is an Owner, the address of such person, and the Unit which is owned by him; (ii) the name of each person or entity who is an Eligible Mortgagee, the address of such person or entity, and the Unit which is encumbered by the Mortgage held by such person or entity; and (iii) the name of each person or entity who is an Eligible Insurer or Guarantor, the address of such person or entity, and the Unit which is encumbered by the Mortgage insured or guaranteed by such person or entity. In the event of any transfer of a fee or undivided fee interest in a Unit, either the transferor or transferee shall furnish the Committee with evidence that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is on record in the office of the County Recorder, Utah County, Utah. The Committee may for all purposes act and rely on the information concerning Owners and Unit ownership which is thus acquired by it or, at its option, the committee may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of Utah County, Utah. The address of an Owner shall be deemed to be the address of the Unit owned by such person unless the Committee is otherwise advised.

52. Audit. Any Owner may at any reasonable time, upon appointment, and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association. The Association, at the expense of the Common Expense Fund, shall obtain an audit by a certified public accountant, or all books and records pertaining to the Project at no greater than annual intervals, and copies thereof shall be furnished to all the Owners.

53. Owner's Obligations. All obligations of an Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may be leasing, renting, or selling under contract his Condominium. The Owner of a Condominium Unit within the Project shall have no obligation for expenses or other obligations accruing after he conveys such Condominium of record.

54. Conflicts. This Declaration is set forth to comply with the requirements of the Act. In the event of any conflict between this Declaration and the provisions of the Act, the provisions of the latter shall control.

55. Declarant's Rights Assignable. All of the rights of Declarant under this Declaration, or the rights of the Declarant hereunder respecting any given portion of the Project, may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer, or assignment.

56. Agent for Service of Process. James D. Gibbons, P.O. BOX 51, Provo, Utah 84603, is the person to receive service of process in the 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, Utah County, Utah.

57. Effective Date. This Declaration, any amendment or supplement hereto, and any amendment or supplement to the Survey Map shall take effect upon its being filed for record in the office of the County Recorder, Utah County, Utah.

EXECUTED BY DECLARANT on this 16th day of November, 1987.

"DECLARANT"

ATTEST:

CAMPUS DEVELOPMENT INCORPORATED
a Utah Corporation

Julene Judd
Julene Judd, Secretary

BY: James D. Gibbons
James D. Gibbons, President

STATE OF UTAH)
) ss.
COUNTY OF UTAH)

On this 16th day of November, 1987, personally appeared before me James D. Gibbons and Julene Judd, who being by me duly sworn did say that they are the President and Secretary, respectively, of CAMPUS DEVELOPMENT INCORPORATED, a Utah Corporation, that the foregoing Declaration of Condominium was signed on behalf of said corporation by authority of its By-Laws or a resolution of its Board of Directors, and said individuals

did acknowledge that said corporation executed the foregoing Declaration of Condominium.

Julene Judd
Notary Public

My commission expires: 10 08 91 Residing at: Provo, Utah

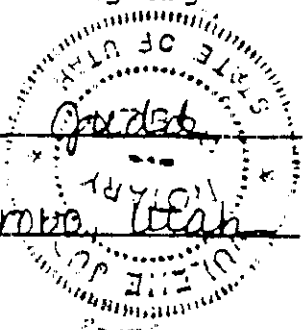


EXHIBIT "A"
THE NORTH CANYON CONDOMINIUM PROJECT

UNIT NO.	APPROXIMATE SQUARE FOOTAGE	NO	OF VOTES
101	1500	1	
102	1500	1	
103	1300	1	
104	1300	1	
105	1300	1	
106	1300	1	
107	1300	1	
108	1300	1	
109	1300	1	
110	1300	1	
111	1300	1	
112	1300	1	
113	1300	1	
114	1300	1	
115	1500	1	
116	1500	1	
201	1500	1	
202	1500	1	
203	1300	1	
204	1300	1	
205	1300	1	
206	1300	1	
207	1300	1	
208	1300	1	
209	1300	1	
210	1300	1	
211	1300	1	
212	1300	1	
213	1300	1	
214	1300	1	
215	1500	1	
216	1500	1	
301	1500	1	
302	1500	1	
303	1300	1	
304	1300	1	
305	1300	1	
306	1300	1	
307	1300	1	
308	1300	1	
309	1300	1	
310	1300	1	
311	1300	1	
312	1300	1	
313	1300	1	
314	1300	1	
315	1500	1	
316	1500	1	

Bylaws

FOR THE ASSOCIATION OF UNIT OWNERS

THE NORTH CANYON CONDOMINIUM PROJECT PROVO, UTAH

EXHIBIT "B"

NOTE: These By-Laws were recorded as part the NCCHA Declarations dated 20 November 1987 as ENI 42664

Article I - Plan Of Unit Ownership

1. Condominium Submission. The Land located in Utah County, Utah, has been submitted to the provisions of the Act by the Declaration recorded in the office of the Recorder of Utah County, Utah, to which these Bylaws are annexed.
2. Office. The office of the Project and of the Management Committee shall be located at the Project or at such' other place as may be designated from time to time by the Management Committee (hereinafter called the "Committee").
3. Bylaws Applicability. All present and future Owners, tenants, future tenants, lessees, their guests, licencees, servants, agents, employees and any other person or persons who shall be permitted to use the facilities of the Project, shall be subject to these Bylaws Acquisition, lease, rental or occupancy of any of the Units in the Project shall constitute an acknowledgement that such Owner, tenant, lessee or occupant has accepted and ratified these Bylaws, the provisions of the Declaration and the rules and regulations promulgated from time to time by the Management Committee and will comply with them.

Article II - Association

1. Composition. All of the Unit Owners, acting as a group in accordance with the Act, the Declaration and these Bylaws, shall constitute the Association. Except as to those matters which the Act or the Declaration specifically requires to be performed by the vote of the Unit Owners, the administration of the Project shall be performed by the Committee as set forth in Article III.
2. Voting. The total number of votes in the Association shall be 100% and each Unit shall be entitled to the number of votes proportionate to the percentage interest assigned to such Unit as it may exist at any given time (since the proportionable percentage interest of all the Units in the Project are nearly identical, it is hereby stated that each Unit in the Project has one (1) vote). Since a Unit Owner may be more than one person, if only one of such persons is

present at a meeting of the Association that person shall be entitled to cast the vote appertaining to that Unit. But if more than one person of such persons is present, the vote appertaining to that Unit shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the vote appertaining to that Unit without protest being made forthwith by any of the others to the person presiding over the meeting. Since a person need not be a natural person, the word "person" shall be deemed for the purposes of this section to include, without limitation, any natural person having authority to execute deeds on behalf of any person, excluding natural persons, a Unit Owner. Except where a greater number is required by the Act, the Declaration, or these Bylaws, a majority of the votes of Unit Owners present in person or represented by proxy in good standing and entitled to vote is required to adopt decisions at any meeting of the Association. If the declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Association to cast the vote to which each such Unit is entitled.

3 Place of Meeting. Meetings of the Association shall be held at the principal office of the Project or at such other suitable place as may be designated by the Committee and stated in the notice of the meeting.

4. Annual Meeting. The first annual meeting of the Association shall be held on the first Tuesday after the expiration of forty-five days following transition as set forth in Sections 24 and 27 of the Declaration, and on the first Tuesday in December of that and each succeeding year. When such day is a legal holiday, the meeting shall occur on the first business day thereafter. The place of the meeting shall be at a convenient location in Utah County, Utah specified in the notice of meeting. At least ten (10) days but not more than thirty (30) days delivered or mailed postage prepaid to each person appearing in the records of the Committee at the time of delivery or mailing. Such notice shall state the time, place, and general purpose of the meeting.

5. Special Meetings. It shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Committee or, after all of the Committee has been elected by Unit Owners other than Declarant, upon a petition signed and presented to the Secretary by Owners having not less than twenty (20%) percent of the votes of all Owners. The notice on any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

6 Notice of Meetings. It shall be the duty of the Secretary to mail, by United States mail, postage prepaid, a notice of (a) each annual meeting of the Owners, at least twenty (20) days in advance of such meeting, and (b) each special meeting of the Owners at least ten (10) days in advance of such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at the address of their respective Units and at such other address as each Owner may have designated by notice in writing to the secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

7 Voting Requirements. An Owner shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of the Association if, and only if, he shall have fully paid all due installments or assessments made or levied against him and

his Unit by the Committee as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his Unit, at least three (3) days prior to the date fixed for such annual or special meeting.

8. Proxies. The vote appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the persons presiding over the meeting, by the Unit Owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy, and must be filed with the Secretary not less than three (3) days before the meeting.

9. Quorum. Except as may otherwise be provided herein or by statute, fifty-one (51%) of the percentage interest shall constitute a quorum for the adoption of decisions. If, however, such quorum shall not be present or represented at any meeting, the Owners entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting and reschedule for a time no earlier than forty-eight (48) hours, and no later than thirty (30) days after the time set for the original meeting. No notice of such rescheduled meeting shall be required except an announcement thereof at the original meeting.

10. Order of Business. The order of business at all meetings of the Association shall be as follows: (a) roll call; (b) proof of notice of meeting; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) report of special committees, if any; (f) election of inspectors of election, if applicable; (g) election of Committee Members, if applicable; (h) unfinished business; and (i) new business.

11. Title to Unit. Title to Units may be taken in the name of natural persons or in the name of two or more natural persons, or in the name of a corporation, partnership, association or other entity capable of holding title to real property, or any combination thereof.

12. Conduct of Meeting. The Chairman shall, or in his absence the Vice-Chairman shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat.

Article III - Management Committee

1. Powers and Duties. The affairs and business of the Association shall be managed by the Committee which shall have all of the powers and duties necessary for the administration of all affairs of the Association in accordance with the provisions of the Declaration and may do all such acts and things as are not by the Act or by these Bylaws directed to be exercised and done by the Association. The Committee shall have the power from time to time to adopt any rules and regulations deemed necessary for the enjoyment of the Project, provided such rules and regulations shall not be in conflict with the Act, the Declaration or these Bylaws. The Committee shall delegate to one of its members the authority to act on behalf of the Committee on all

matters relating to the duties of the manager, if any, which might arise between meetings of the Committee. Subject to any limitations or provisions contained in the Declaration, the Committee shall be responsible for the following:

(a) Preparation of an annual budget, in which there shall be established the contribution of each Owner to the Common Expenses.

(b) Making assessments against Owners to defray the costs and expenses of the Condominium, establishing the means and methods of collecting such assessments from the Owners, and establishing the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Committee, the annual assessment against each Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month;

(c) Providing for the operation, care, upkeep, replacement, maintenance and surveillance of all of the Common Areas, Facilities and services of the Project;

(d) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Areas, and providing services for the Property, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed the common property of the Owners;

(e) Collecting the assessments against the Owners, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to carry out the administration of the Property;

(f) Making and amending rules and regulations respecting the use of the Property, the Common Areas and the Facilities of the Project;

(g) Opening of bank accounts on behalf of the Project and/or Association and designating the signatories required therefore;

(h) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Property and repairs to, and restoration of, the Property, in accordance with the Declaration and other provisions of these Bylaws, after damage or destruction by fire or other casualty;

(i) Enforcing by legal means the provisions of the Declaration, these Bylaws, and rules and regulations for the use of the Property adopted by it, and bringing any proceedings which may be instituted of behalf of the Owners;

(j) Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) Paying the cost of all services rendered to the Project and not billed to the

Owners of individual Units;

(l) Keeping books with detailed accounts of the receipts and expenditures affecting the Property, and the administration of the Project, specifying the maintenance and repair expenses of the Common Areas and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Committee for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting practices, and the same upon resolution of the Association, shall be audited at least once a year by an outside auditor employed by the Committee who shall not be a resident of the Project, or an Owner therein. The cost of such audit shall be a Common Expense. A copy of the annual audit report shall be supplied to any first mortgagee of any Unit in the Project who requests the same in writing from the Secretary;

(m) To do such other things and acts not inconsistent with the Act, the Declaration or the Bylaws or a resolution of the Association;

(n) The Committee shall carry out its duties and functions which are capable of delegation through a Professional Manager. The manager retained for such purposes shall be an individual, organization or entity experienced and qualified in the field of property management. The manager so engaged shall be responsive for managing the Project for the benefit of the Unit Owners and shall, to the extent permitted by law and the terms of the agreement with the Committee, be authorized to perform the functions or acts required or permitted to be performed by the Management Committee itself. The intended nature of this Project is such that a Professional Manager is absolutely essential to its successful operation.

2. Composition of Management Committee. The Committee shall be composed of five members. At the first annual meeting of the Association, three Committee members shall be elected for two-year terms and two members for three-year terms. At each annual meeting of the Association thereafter any vacant seat on the Committee shall be filled with a member elected for a three-year term. Only Unit Owners and officers and agents of Owners other than individuals shall be eligible for Committee membership. At each annual meeting the percentage interest appurtenant to a Unit may be voted in favor of as many candidates for Committee membership as there are seats on the Committee to be filled; provided, however, that until the happening of the event hereinafter described in this Section 2 Declarant alone shall be entitled to select all or any portion of the Committee members.

The event referred to in the first paragraph of this Section 2, shall be the first to occur of the following:

(a) Units to which an aggregate of at least ninety (90%) percent of the percentage interest then appurtenant to the Project have been conveyed by Declarant;

(b) The expiration of seven (7) years after the date on which the Declaration is filed for record in the office of the Recorder of Utah County, Utah.

3. Election and Term of Office of the Committee. At the first annual meeting of

the Association, subject to the provisions of Section 2 of this Article III, five (5) members of the Committee shall be elected. The term of office of the Committee members shall be as set forth in Section 2 of this Article III. At the expiration of the initial term of office of such respective members, each successor shall be elected at subsequent annual meetings of the Association to serve a term of three (3) years. The Committee member shall hold office until their respective successors have been elected and hold their first meeting.

4. Organization Meeting. The first meeting of the members of the Committee following the annual meeting of the Association shall be held within ten (10) days after the annual meeting at such place as shall be fixed by the Committee at the meeting at which such Committeemen were elected, and no notice shall be necessary to the newly elected Committee members in order legally to constitute such meeting provided that a majority of the whole Committee shall be present thereat.

5. Regular Meetings. Regular meetings of the Committee may be held at such time and place as shall be determined, from time to time, by a majority of the Committee, but at least six (6) such meetings shall be held during each fiscal year after the first annual meeting of the Association. Notice of regular meetings of the Committee shall be given to each member, personally, by mail or by telephone, at least three (3) business days prior to the day named for such meeting.

6. Special Meetings. Special meetings of the Committee may be called by the Chairman on three (3) business days notice to each member. Such notice shall be given personally, by mail or by telephone, and such notice shall state the time, place and purpose of the meeting. Special meetings of the Committee shall be called by the Chairman or Secretary in like manner and on like notice on the written request of at least two (2) Committeemen.

7. Waiver of Notice. Before or at any meeting of the Committee, any Committeeman may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Committeeman at any meeting of the Committee shall be a waiver of notice by him of the time and place thereof. If all the Committeemen are present at any meeting of the Committee, no notice shall be required and any business may be transacted at such meeting.

8. Committee's Quorum. At all meetings of the Committee, a majority of the Committeemen shall constitute a quorum for the transaction of business, and the acts of the majority of the Committeemen present at a meeting at which a quorum is present shall be the acts of the Committee. If, at any meeting of the Committee, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

9. Vacancies. Vacancies in the Committee caused by any reason other than removal of a Committeeman by a vote of the Association shall be filled by vote of the majority of the remaining Committeemen, at a special meeting of the Committee held for that purpose promptly after the occurrence of any such vacancy, even though the Committeemen present at such a meeting may constitute less than a quorum of the Committee; and each persons so

elected shall be a Committeeman for the remainder of the term of the Committeeman so replaced and until a successor is elected at the next annual meeting of the Association; provided, however, that the vacancy of any Committeeman originally designated by the Declarant shall be filled by the Declarant.

10. Removal of Committeemen. A Committeeman may be removed with or without cause, and his successor elected, at any duly called regular or special meeting of the Association at which a quorum is present, by an affirmative vote of a majority of the votes represented and voting. Any Committeeman whose removal is proposed by the Owners shall be given at least ten (10) days notice of the calling of the meeting and the purpose thereof and an opportunity to be heard at the meeting. Notwithstanding anything in this Section to the contrary, no person selected and designated by the Declarant as a member of the Committee may be removed without the consent of the Declarant and in such event the Declarant shall select and designate his successor.

11. Compensation. No Committeeman shall receive any compensation from the Condominium for acting as such.

12. Conduct of Meeting. The Chairman shall preside over all meetings of the Committee and the Secretary shall keep a minute book of the Committee recording therein all resolutions adopted by the Committee and a record of all transactions and proceedings occurring at such meeting.

13. Report of Committee. The Committee shall present at each annual meeting, and when called for by vote of the Association at any special meeting of the Association, a full and clear statement of the business and condition of the Condominium.

14. Fidelity Bonds. The Committee shall require that all officers, agents (including a Professional Manager and its employees) and employees of the Association handling or responsible for funds to furnish adequate fidelity bonds. The premiums on such bonds shall constitute a Common Expense. The Committee shall provide fidelity insurance coverage as required by the Declaration.

Article IV

1. Designation. The principal officers of the Condominium shall be a Chairman, a Vice-Chairman, a Secretary and a Treasurer, all of whom shall be elected by the Committee. The Committee may appoint assistant secretaries and other such officers as in its judgment may be necessary. With the exception of the Chairman, no officer need be a member of the Committee. Two or more offices may be held by the same person, except that the Chairman shall not hold any other office.

2. Election of Officers. The officers of the Condominium shall be elected annually by the Committee at the organization meeting of each Committee and shall hold office at the pleasure of the Committee. Any vacancy in an office shall be filled by the Committee at a regular meeting or special meeting for that purpose.

3. Removal of Officers. The officers shall hold office until their respective

successors are chosen and qualify in their stead. Any officer elected of a majority of the whole Committee, and his successor may be elected at the regular meeting of the Committee, or at any special meeting of the Committee for such purpose

4. Chairman. The Chairman shall be the chief executive officer; he shall preside at meetings of the Association and the Committee and shall be an ex officio member of all committees; he shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Committee are carried into effect. He shall have all of the general powers and duties which are usually vested in or incident to the office of president of a stock corporation organized under the laws of the State of Utah

5. Vice-Chairman. The Vice-Chairman shall, in the absence or disability of the Chairman, perform the duties and exercise the powers of the Chairman, and shall perform such other duties as the Committee or the Chairman shall prescribe. If neither the Chairman or Vice-Chairman is able to act, the Committee shall appoint a member of the Committee to do so on an interim basis.

6. Secretary. The Secretary shall attend all sessions of the Committee and all meetings of the Association and record all votes and the minutes of all proceedings in a book to be kept by him for that purpose and shall perform like duties for committees when required. He shall give, or cause to be given, notice of all meetings of the Association, the Committee and committees and shall perform such other duties as may be prescribed by the Committee. The Secretary shall compile and keep current at the principal office of the Condominium, a complete list of the Owners and their last known post office addresses. This list shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the minute book of the Association, containing the minutes of all annual and special meetings of the Association and all sessions of the Committee, including resolutions.

7. Treasurer. The Treasurer shall have the custody of all funds and securities that are not under the control of the Managing Agent, and, with the assistance of the Managing Agent, shall keep full and accurate records of receipts and disbursements, shall prepare all required financial data, and shall deposit all moneys and other valuable effects in such depositories as may be designated by the Committee. He shall disburse funds as ordered by the Committee, making proper vouchers for such disbursements, and shall render to the Chairman and Committeemen, at the regular meetings of the Committee, or whenever they may require, an account of all of his transactions as Treasurer and of the financial condition of the Project.

8. Agreements, Contracts, Deeds, Checks, etc.. All agreements, contracts, deeds, leases, checks and other instruments of the Project for expenditures or obligations shall be executed by any two officers of the Committee or by such other person or persons as may be designated by the Committee.

9. Compensation of the Officers. No officer shall receive any compensation from the Committee for acting as such.

Article V - Fiscal Year

The fiscal year of the Association shall consist of the twelve month period commencing on January 1 of each year and terminating on December 31 of the same year, except that the first fiscal year shall begin at the date of organization and terminate on December 31. The fiscal year herein established shall be subject to change by the Committee should it be deemed advisable or in the best interests of the Association.

Article VI - Amendment To Bylaws

1. Amendments. Except as otherwise provided in this Section, these Bylaws may be modified or amended either (i) by a vote of at least fifty-one percent (51%) of the Percentage Interest at any regular or special meeting of the Association at which a quorum is present, provided that Notice of the proposed amendment shall have been given to each Owner simultaneously with the notice of such meeting, or (ii) pursuant to a written instrument duly executed by at least fifty-one percent (51%) of the Percentage Interest, provided, however, that (a) Section 2 of Article III, insofar as it relates to the selection of a member of the Committee by the Declarant, (b) Section 2 of Article II, insofar as it provides, the Declarant, so long as it is the Owner of one or more Units, may vote the votes appurtenant thereto, and (c) this Section 1 of Article VI, may not be amended without the consent in writing of the Declarant, so long as the Declarant shall own five or more Units. Furthermore, notwithstanding the foregoing, so long as the Declarant is the Owner of one or more Units, no amendment to the Bylaws or rules and regulations may be adopted which could interfere with the construction, display, sale, lease, or other disposition of such Unit or Units.

2. Recording. A modification or amendment of these Bylaws shall become effective only if such modification or amendment is recorded in the office of the County Recorder of Utah County, Utah.

3. Conflicts. No modification or amendment of these Bylaws may be adopted which shall be inconsistent with the provisions of the Act or with the provisions of the Declaration. A modification or amendment once adopted and recorded as provided for herein shall then constitute a part of the official Bylaws of the Project and all Owners shall be bound to abide by such modification or amendment.

4. Approval of Mortgagees. The Declaration contains provisions concerning various rights, priorities, remedies and interests of the Mortgagees of Units. Such provisions in the Declaration are to be construed as covenants for the protection of the Mortgagees on which they may rely in making loans secured by mortgages on the Units. Accordingly, all Mortgagees shall be given thirty (30) days notice of all proposed amendments, and no amendment or modifications of these Bylaws impairing or affecting the rights, priorities, remedies or interests of a Mortgagee (including the Mortgagee's use of a secondary mortgage market, i.e., the saleability of mortgages to one of several ultimate mortgage purchasing corporations) shall be adopted without the prior written consent of such Mortgagee. If there is more than one Mortgagee holding mortgages on the Units, it shall be necessary for this purpose to obtain the written consent of all Mortgagees holding mortgages.

Article VII - Notice

1. Manner of Notice. All notices, demands, bills, statements or other communications provided for or required under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by U.S. Mail, first class postage prepaid, to an Owner, at the address of his Unit and at such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes, the Declaration or of these Bylaws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto, unless such waiver is ineffective under the provisions of the Act.

Bylaws Compliance, Conflict, And Miscellaneous Provisions

1. Compliance. These Bylaws are set forth in compliance with the requirements of the Act.

2. Conflict. These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of the Act. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration or Act. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between the Declaration and the Act, the provisions of the Act shall control. In any event, it is the intention of this instrument to make these Bylaws the enabling vehicle to allow the Committee and the Association to administer the affairs of the Association pursuant to the terms and provisions of the Declaration.

3. Severability. These Bylaws are set forth to comply with the requirements of the State of Utah. In case any of the Bylaws are in conflict with the provisions of any of its statutes, the provisions of the statutes will apply. If any provisions of these Bylaws or any section, sentence, clause, phrase, or word, or the application thereof in any circumstance is held invalid, the validity of the remainder of these Bylaws, shall not be affected thereby and to this end, the provisions hereof are declared to be severable.

4. Waiver. No restrictions, condition, obligation or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same.

5. Captions. The captions contained in these Bylaws are for convenience only and are not part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

6. Gender, etc.. Whenever in these Bylaws, the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

Adopted and executed by Declarant as of the same date the Declaration was executed.

"DECLARANT"

CAMPUS DEVELOPMENT INCORPORATED,
a Utah Corporation

ATTEST:

Julene Judd
Julene Judd, Secretary

BY: James D. Gibbons
James D. Gibbons, President

First Amendment

TO DECLARATION OF NORTH CANYON CONDOMINIUMS

A CONDOMINIUM PROJECT

This Amendment to Declaration of North Canyon Condominiums, a Condominium Project, containing covenants, conditions and restrictions relating to North Canyon Condominiums, a Condominium Project, is made on the date set forth at the end hereof by Campus Development, Inc., a Utah Corporation, hereinafter called "Declarant", for itself, its successors, grantees and assigns, pursuant to the Condominium Ownership Act of the State of Utah.

Recitals

A. This Amendment to the Declaration of North Canyon Condominiums is intended to and shall affect only those specific provisions of the Declaration as are referred to hereafter. The Declaration herein amended was recorded November 20, 1987, as Entry No. 42664 at Book 2470, Pages 170-233. All provisions of the Declaration not specifically amended herein shall remain as in the original and in full force and effect.

B. Declarant is the record owner of that certain real property (the land) in Utah County, Utah, and more particularly described as follows:

Commencing at a point on the East right-of-way line of Provo Canyon Road (150 East St.) as extended, which beginning point is North 956.47 feet and East 270.14 feet (based on Utah State Plane Coordinate System, Utah Central Zone) from the Southwest corner of Section 30, T6S, R3E, S L.B. & M., thence along the East right-of-way of Provo Canyon Road N00 Degrees 30'15"E 137.79 feet; thence N86 Degrees 16'21"E 64.96 feet; thence S 89 Degrees 47'59" E 90.93 feet; thence N85 Degrees 34'37"E 74.88; thence N89 Degrees 31'17"E along an old fence 143.49 feet; thence S00 Degrees 05'45"W 175.21 feet to the new right-of-way line on 2230 North Street; thence S86 Degrees 45'29"W along the new North right-of-way line of said 2230 North Street (said new north right-of-way line is parallel with an 60' North of the north edge of an existing concrete sidewalk) 25.85 feet; thence continuing along the North right-of-way line of said 2230 North Street N89 Degrees 51'45"W 322.07 feet; thence along the arc of a 27.00 foot radius curve to the right 42.58 feet (Chd. bears Degrees N44 40'45"W 38.31 feet) to the point of beginning. Area - 1.475 acres.

C. Declarant is the record owner subject to a life estate, of that certain real property (the "additional land" or "expandable land") in Utah County, Utah, and more particularly described as follows:

Commencing at a point on the North right-of-way line of 2230 North Street which beginning point is North 929.92 feet and East 644.96 feet from the S.W. corner of Section 30, T6S, R3E, S.L.B. & M; thence N00 Degrees 05'45"E 175.21 feet; thence N89 Degrees 31'17"E along an old fence 92.45 feet to a fence corner; thence S00 Degrees 48'41"E 170.61 feet; thence S86 Degrees 45'29"W along the North boundary of 2230 North Street 95.31 feet to the point of beginning. Area - 0.372 acre basis of bearing-Utah State Plane Coordinate System (Utah Central Zone).

The above described additional land area is not included in the condominium project, however, it may at a later time be included in the condominium project in accordance with this Declaration, amendments to this declaration and applicable statutes.

D. Various improvements have been and will be made to the land so as to enable its use and operation as a Condominium Project. The construction of all such improvements have been and will be performed in accordance with the information contained in the Record of Survey Map, consisting of three (3) sheets, incorporated herein by reference, and recorded simultaneously herewith, and in this Declaration.

E. Various improvements may be made to the expandable land area. The Declarant reserves herein an option to withdraw said expandable land or to include said land and to create additional units, common areas, limited common areas and facilities within the expandable land area.

F. Declarant desires, by filing this Declaration and the Record of Survey Map, to submit the land, except the additional land, and all improvements now or hereafter constructed thereon to the provisions of the Utah Condominium Ownership Act as a Condominium Project to be known as "North Canyon Condominium Project"

G. Declarant intends to sell and convey to various purchasers the fee title to the individual Units that will be contained in the Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant to such Units, subject to the covenants, restrictions and limitations herein set forth.

NOW, THEREFORE, for the foregoing purposes, the Declarant hereby makes the following Amendment to the Declaration containing covenants, conditions and restrictions relating to this Condominium Project which, pursuant to the provisions of the Condominium Ownership Act of the State of Utah, shall be enforceable equitable servitudes, where reasonable, and shall run with the land.

SECTION III

34. Owner's Own Insurance. Each Owner may at his own expense, procure and maintain fire, theft and other casualty insurance relating to furnishings, fixtures, appliances, equipment and improvements located in his unit. The Association of Unit Owners is not required to provide insurance except as otherwise provided herein and insurance on the above described items located in an Owner's individual unit shall be the responsibility of each Owner.

41. Rights of Mortgagee. Notwithstanding anything to the contrary contained in the Declaration:

(l) Any agreement for professional management which may be entered into by the Committee or the Association shall provide for a term not exceeding three (3) years and shall also provide that either party, with or without cause, and without payment of any termination fee, may terminate such agreement upon thirty (30) days written notice.

EXECUTED BY DECLARANT on this 17 day of February, 1988.

"DECLARANT"

ATTEST:

CAMPUS DEVELOPMENT INCORPORATED
a Utah Corporation

Julene Judd
Julene Judd, Secretary

James D. Gibbons
James D. Gibbons, President

STATE OF UTAH)
: ss.
COUNTY OF UTAH)

On this 17th day of February, 1988, personally appeared before me James D. Gibbons and Julene Judd, who being by me duly sworn did say that they are the President and Secretary, respectively, of CAMPUS DEVELOPMENT INCORPORATED, a Utah Corporation, that the foregoing Declaration of Condominium was signed on behalf of said corporation by authority of its By-Laws signed on behalf of said corporation by authority of its By-Laws or a resolution of its Board of Directors, and said individuals did acknowledge that said corporation executed the foregoing Declaration of Condominium.

Shauntel Christensen
NOTARY PUBLIC

My Commission Expires:

6 August 1991

Residing at:

Provo UT

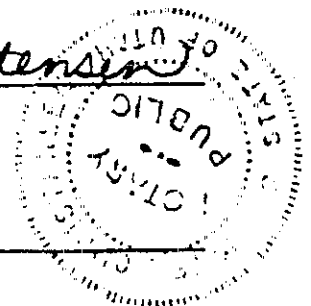


Exhibit "B"
BY-LAWS FOR THE ASSOCIATION OF UNIT OWNERS
OF THE NORTH CANYON CONDOMINIUM PROJECT, PROVO, UTAH

ARTICLE III

2. Composition of Management Committee. The Committee shall be composed of five members. At the first annual meeting of the Association, three Committee members shall be elected for two-year terms and two members for three-year terms. At each annual meeting of the Association thereafter any vacant seat on the Committee shall be filled with a member elected for a three-year term. Only Unit Owners and officers and agents of Owners other than individuals shall be eligible for Committee membership. At each annual meeting, the percentage interest appurtenant to a Unit may be voted in favor of as many candidates for Committee membership as there are seats on the Committee to be filled; provided, however, that until the occurrence of the event hereinafter described in this Section 2, Declarant or its authorized agents(s) alone shall be entitled to select all or any portion of the Committee members.

The event referred to in the first paragraph of this Section 2, shall be the first to occur of the following:

(a) The expiration of six (6) years after the date on which the original Declaration was filed for record in the office of the Recorder of Utah County, Utah.

(b) After units to which three-fourths of the undivided interest in the common areas and facilities appertain have been conveyed, or after all additional land has been added to the project and all convertible land has been converted, whichever last occurs

Second Amendment

TO DECLARATION OF NORTH CANYON CONDOMINIUMS

A CONDOMINIUM PROJECT

This Second Amendment to Declaration of North Canyon Condominiums, a Condominium Project, containing covenants, conditions and restrictions relating to North Canyon Condominiums, a Condominium Project, is made on the date set forth at the end hereof by Campus Development, Inc., a Utah Corporation, hereinafter called "Declarant", for itself, its successors, grantees and assigns, pursuant to the Condominium Ownership Act of the State of Utah.

Recitals

A. This Second Amendment to the Declaration of North Canyon Condominiums is intended to and shall affect only those specific provisions of the Declaration as are referred to hereafter. The original Declaration herein amended was recorded November 20, 1987, as Entry No. 42664 at Book 2470, Pages 170-233. All provisions of the Declaration not specifically amended herein shall remain as in the original and in full force and effect.

B. Declarant is the record owner of that certain real property (the land) in Utah County, Utah, and more particularly described as follows:

Commencing at a point on the East right-of-way line of Provo Canyon Road (150 East ST.) as extended, which beginning point is North 956.47 feet and East 270.14 feet (based on Utah State Plane Coordinate System, Utah Central Zone) from the Southwest corner of Section 30, T6S, R3E, S.L.B. & M, thence along the East right-of-way of Provo Canyon Road N00 Degrees 30'15"E 137.79 feet; thence N86 Degrees 16'21"E 64.96 feet; thence S 89 Degrees 47'59" E 90.93 feet; thence N85 Degrees 34'37"E 74.88; thence N89 Degrees 31'17"E along an old fence 143.49 feet; thence S00 Degrees 05'45"W 175.21 feet to the new right-of-way line on 2230 North Street; thence S86 Degrees 45'29"W along the new North right-of-way line of said 2230 North Street (said new north right-of-way line is parallel with an 60' North of the north edge of an existing concrete sidewalk) 25.85 feet; thence continuing along the North right-of-way line of said 2230 North Street N89 Degrees 51'45"W 322.07 feet; thence along the arc of a 27.00 foot radius curve to the right 42.58 feet (Chd. bears Degrees N44 40'45"W 38.31 feet) to the point of beginning. Area - 1.475 acres.

C. Declarant is the record owner subject to a life estate, of that certain real property (the "additional land" or "expandable land") in Utah County, Utah, and more particularly described as follows:

Commencing at a point on the North right-of-way line of 2230 North Street which beginning point is North 929.92 feet and East 644.96 feet from the S W corner of Section 30, T6S, R3E, S L B & M.; thence N00 Degrees 05'45"E 175.21 feet; thence N89 Degrees 31'17"E along an old fence 92.45 feet to a fence corner; thence S00 Degrees 48'41"E 170.61 feet; thence S86 Degrees 45'29"W along the North boundary of 2230 North Street 95.31 feet to the point of beginning Area - 0.372 acre basis of bearing-Utah State Plane Coordinate System (Utah Central Zone).

The above described additional land area is not included in the condominium project, however, it may at a later time be included in the condominium project in accordance with this Declaration, amendments to this declaration and applicable statutes.

D Various improvements have been and will be made to the land so as to enable its use and operation as a Condominium Project. The construction of all such improvements have been and will be performed in accordance with the information contained in the Record of Survey Map, consisting of three (3) sheets, incorporated herein by reference, and recorded simultaneously herewith, and in this Declaration.

E. Various improvements may be made to the expandable land area. The Declarant reserves herein an option to withdraw said expandable land or to include said land and to create additional units, common areas, limited common areas and facilities within the expandable land area.

F. Declarant desires, by filing this Declaration and the Record of Survey Map, to submit the land, except the additional land, and all improvements now or hereafter constructed thereon to the provisions of the Utah Condominium Ownership Act as a Condominium Project to be known as "North Canyon Condominium Project".

G Declarant intends to sell and convey to various purchasers the fee title to the individual Units that will be contained in the Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant to such Units, subject to the covenants, restrictions and limitations herein set forth.

NOW, THEREFORE, for the foregoing purposes, the Declarant hereby makes the following Second Amendment to the Declaration containing covenants, conditions and restrictions relating to this Condominium Project which, pursuant to the provisions of the Condominium Ownership Act of the State of Utah, shall be enforceable equitable servitude, where reasonable, and shall run with the land.

Section III

18. Declarant's Sales Program. Until declarant ceases to be a unit owner or until the expiration of six (6) years after the date on which this Declaration was filed in the office of the Utah County Recorder, whichever occurs first, declarant shall have the right to maintain sales offices and/or model units in any unit owned by it or in the game room/lounge area, and Declarant shall have the right to maintain a reasonable number of promotional, advertising and

directional signs of a size and nature as is reasonable and customary. During the above specified term, Declarant may also have the right use the Common Areas and Facilities to entertain prospective purchasers and such use shall be reasonable as to time and manner. Declarant shall have the right to remove any signs, banners or similar devices employed in connection with its sales program.

20. Status and General Authority of Association. The Association may be incorporated under the laws of the State of Utah as a non-profit corporation. The Association, subject to the rights and duties of the Owners as set forth in the Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including the Common Facilities), and shall keep the same in a good, clean, attractive, safe, and sanitary condition, order, and repair; provided, however that each Owner shall keep the Limited Common Areas designated for use in connection with his Unit, if any, in a good, clean, safe, sanitary, and attractive condition. The Association shall be responsible for the maintenance and repair of the exterior of the Building and the grounds, including without limitation painting thereof, repair and replacement of exterior trim and roofs, and maintenance, repair, and replacement of landscaping, walkways, driveways, and parking areas. The Association shall also be responsible for maintenance, repair and replacement of Common Areas within the Building, including without limitation hallways, elevators, utility lines, Common Facilities and all improvements and other items located within or used in connection with the Common Areas. The specification of Duties of the Association with respect to particular Common Areas shall not be construed to limit its duties with respect to other Common Areas, as set forth in the first sentence of this Section. All goods and services procured by the Association in performance of its responsibilities under this Section shall be paid for with funds from the Common Expense Fund.

(a) Each Owner shall be entitled and required to be a Member of the Association; Membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Unit is held by more than one person, the Membership appurtenant to that Unit shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which title to the Unit is held. An Owner shall be entitled to one Membership for each Unit owned by him. Each Membership shall be appurtenant to the Unit to which it relates and shall be transferred automatically by conveyance of that Unit. Ownership of a Unit within the Project cannot be separated from Membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance or other disposition of a Unit shall be construed to be a devise, encumbrance, conveyance, or other disposition, respectively, of the Owner's Membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a Member of the Association, and Membership in the Association may not be transferred except in connection with the transfer of a Unit.

(b) The Association shall be managed by a Board of Directors or Trustees which shall be known as the Management Committee. Until such time as the responsibility for electing the Management Committee of the association is turned over to the Owners in accordance with this Declaration and Utah Law, the Declarant shall have the exclusive right to appoint, remove, and replace all such members of the Management Committee.

(c) The vote appurtenant to each respective Unit and its respective weight shall be as set forth in Exhibit "A" attached hereto and by this reference made a part hereof. The vote appurtenant to each Unit as set forth in said Exhibit "A" shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in a duly recorded amendment of this Declaration

(d) The provisions of this Section may be amplified by the Articles of Incorporation and By-Laws of the Association; provided, however, that no such amplifications shall materially or substantially alter or amend any of the rights or obligations of the Owners set forth in this Declaration. The initial By-Laws of the Association shall be in the form of Exhibit "B" attached hereto and by this reference made a part hereof.

(e) The Association may obtain and pay for the services of such personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration.

In addition to the foregoing, the Association may acquire and pay for out of the Common Expense Fund water, sewer, garbage collection, electrical, gas, insurance, bonds, and other goods and services necessary or desirable for the Common Areas to the extent Units are not separately metered or billed.

(f) The Association may acquire and hold real, personal, and mixed property of all types for the use and benefit of all of the Owners and may dispose of such property by sale or otherwise. All such property, including Common Facilities, shall be paid for out of the Common Expense Fund and all proceeds from the disposition thereof shall be a part of such fund.

(g) The Association may make reasonable Rules and Regulations governing the use of the Units, the Common Areas, the Limited Common Areas, and all parts and duties established by this Declaration. The Association may take judicial action against any Owner to enforce compliance with such Rules and Regulations or other obligations of such Owner arising hereunder, or to obtain damages for non-compliance herewith, as permitted by Law. In the event of such judicial action, the Association shall be entitled to recover its costs, including reasonable attorneys' fees, from the offending Owner.

(h) The Association may, without the vote or consent of the Owners or of any other person, grant or create, on such terms as it deems advisable, utility and similar easements and rights-of-way over, under, cross and through the Common Areas.

(i) All duties, responsibilities, rights and powers imposed upon or granted to the "Management Committee" or to the "manager" under the Condominium Act shall be duties, responsibilities, rights and powers of the Association hereunder.

(j) The Association may exercise any right, power or privilege given to it expressly by this Declaration or by Law, and every other right or privilege reasonably implied from the existence of any right or privilege given herein or reasonably necessary to effectuate any such

right or privilege.

(k) The Association shall delegate all of its rights, power and authority to the Management Committee and act by and through said Management Committee as herein set forth.

23. Manager. The Committee shall carry out its functions which are capable of delegation through a Manager. The Manager retained for such purposes shall be an individual, organization or entity experienced and qualified in the field of property management. The Manager so engaged shall be responsible for managing the Project for the benefit of the Unit Owners and shall, to the extent permitted by Law and the terms of the agreement with the Committee, be authorized to perform the functions or acts required or permitted to be performed by the Management Committee itself. The intended nature of this Project is such that a Professional manager is absolutely essential to its successful operation. Any contract with such a manager shall not exceed a term of three (3) years and shall also provide that either party may terminate the Agreement, with or without cause, and without payment of any termination fee, upon thirty (30) days written notice.

24. Composition of Management Committee. The Committee shall be composed of five members. At the first annual meeting of the Association at which Committee members are elected, three Committee members shall be elected for two-year terms and two members for three-year terms. At each annual meeting of the Association thereafter, any vacant seat on the Committee shall be filled with a member elected for a three-year term. Only Unit Owners and officers and agents of owners other than individuals shall be eligible for Committee membership. At each annual meeting the Percentage Interest/vote appurtenant to a Unit may be voted in favor of as many candidates for Committee Membership as there are seats on the Committee to be filled; provided, however, that until the happening of the event hereinafter described in this Section, Declarant alone shall be entitled to select all or any portion of the five Committee members.

The event referred to in the first paragraph of this Section shall be the first to occur of the following:

(b) Units to which an aggregate of at least seventy-five (75%) percent of the Percentage Interest appurtenant to the Project have been conveyed by Declarant.

(c) The expiration of six (6) years after the date on which this Declaration is filed for record in the office of the County Recorder, Utah County, Utah.

28. Limitation on Improvements by Association. Until Declarant ceases to be a unit owner, three fourths of the units are sold, or the expiration of six (6) years from the date the Declaration was recorded, whichever occurs first, neither the Association nor the Management Committee shall, without the written consent of Declarant, make any improvements to or alteration in any of the Common Areas and Facilities other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as originally created or constructed by Declarant.

35. Damage to Project. In the event of damage of or destruction of part or all of the

improvements in the Condominium Project, the following procedures shall apply:

(a) Association as Attorney in Fact. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney in fact in their name, place and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute an appointment by said grantee of the Association as his attorney which shall have full and complete authorization, right, and power to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted.

(b) Definition of Repair and Reconstruction. Repair and reconstruction of the improvements as used herein means restoring the Project to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas having substantially the same vertical and horizontal boundaries as before

(c) Procedures. In the event any part of the Project is damaged or destroyed, the Association shall proceed as follows:

(i) Estimate of Costs. As soon as practicable after an event causing damage to or destruction of any part of the Project, the Association shall obtain complete and reliable estimates of the costs to repair and reconstruct that part of the Project damaged or destroyed.

(ii) Sufficient Insurance. If the proceeds of the insurance maintained by the Association exceed the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, such repair and reconstruction, the Association shall levy a Special Assessment sufficient to provide funds to pay such actual costs of repair and reconstruction. Such Special Assessment shall be allocated and collected as provided herein, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) prove insufficient to pay all actual costs of such repair and reconstruction.

(iii) Insufficient Insurance -- Less than 75% Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if less than seventy-five percent (75%) of the Building is damaged or destroyed, such repair and reconstruction shall nevertheless be carried out. The Association shall levy a Special Assessment sufficient to provide funds to pay the actual costs of such repair and reconstruction to the extent that such insurance proceeds are insufficient to pay such costs. Such Special Assessments shall be allocated and collected as provided herein, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

(iv) Insufficient Insurance -- 75% or more Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if seventy-five (75%) percent or more of the Building is damaged or destroyed, such damage or destruction shall be repaired and

reconstructed as provided herein, if but only if, within one hundred (100) days after such damage or destruction, the Owners shall elect by a vote of at least seventy-five (75%) percent of the total votes of the Association to carry out such repair and reconstruction. If, however, the Owners shall not, within one hundred (100) days after such damage or destruction, elect by a vote of at least seventy-five (75%) percent of the total votes of the Association to carry out such repair and reconstruction, the Association shall record in the office of the County Recorder of Utah County, State of Utah, a notice setting forth such facts. Upon the recording of such notice, the following shall occur:

- (1) The Project shall be deemed to be owned in common by the Owners;
- (2) The undivided interest in the Project owned in common which shall appertain to each owner shall be the percentage of undivided interest previously owned by such Owner in the Common Areas;
- (3) Any liens affecting any of the Condominiums shall be deemed to be transferred, in accordance with the existing priorities, to the undivided interest or the respective Owner in the Project: and
- (4) The Project shall be subject to an action for partition at the suit of the Owners, in which event the net proceeds of any sale resulting from such suit for partition, together with the net proceeds of the insurance on the Project, if any, shall be considered as one fund and shall be divided among all Owners in a percentage equal to the percentage of undivided interest owned by each respective Owner in the Common Areas, as set forth in Exhibit "A" hereto, after first paying out of the respective share of each Owner, to the extent sufficient for the purpose, all liens on the undivided interest in the Project owed by such Owner.
- (d) Repair or Reconstruction. If the damage or destruction is to be repaired and reconstructed as provided above, the Association shall, as soon as practicable after receiving the said estimate of costs, commence and diligently pursue to complete the repair and reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair and reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith, except as otherwise expressly provided herein. The Project shall be restored or repaired to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the common Areas having the same vertical and horizontal boundaries as before.
- (e) Disbursement of Funds for Repair and Reconstruction. If repair or reconstruction is to occur, the insurance proceeds held by the Association and any amounts received from assessments made pursuant to Section (b) and (c) hereof shall constitute a fund for the payment of costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment of cost of repair and reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to their respective percentages of ownership in the Common Areas.

(f) Amendment of Articles. Except for Declarants rights herein to amend this Declaration as set forth herein, this Section shall not be amended unless seventy-five (75%) percent of the Owners of all Units in the Project consent and agree to such amendment by duly executed and recorded instrument.

36. Certain Provisions Applicable to Declarant. Notwithstanding any other provision herein contained, for so long as Declarant continues to own any of the Units, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Declarant from any obligations as Unit Owner to pay assessments, except as herein otherwise provided, as to each Unit owned by Declarant in accordance with the Declaration

(a) Declarant specifically disclaims any intent to have made any warranty or representation in connection with the Project or the Declaration except as specifically set forth herein or in any agreement for sale of a Unit, and no person shall rely upon any warranty or representation not so specifically made therein.

(b) No amendment may be made to the Declaration without the written consent of the Declarant so long as Declarant retains the ownership of five (5) or more Units; provided, however, that the obligation to acquire said written consent of the Declarant shall cease on a date six (6) years from the date of recording of this Declaration

37. Amendment. Except as hereinafter provided, the vote of at least seventy-five (75%) percent of the Percentage Interest of the Unit Owners in person or represented by proxy at a meeting of the Association at which a quorum is present shall be required to amend the Declaration or the Map Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Management Committee In such instrument, the Committee shall certify that the vote required by this paragraph for amendment has occurred The foregoing right of amendment shall be subject to the following paramount rights:

(a) Notwithstanding anything to the contrary contained in the Declaration, until all but five (5) units of the entire Project have been sold, Declarant shall have, and is hereby vested with, the right to unilaterally amend this Declaration or the Map Such right shall obtain without regard to the subject matter or amendment, so long as the amendment involved is consistent with the Law and does not attempt to divest any vested property rights of any Owner or first Mortgagee.

(b) Notwithstanding anything to the contrary contained in the Declaration, including in the immediately preceding paragraph, neither the insurance provisions of Sections 30, 31, 32 and 33 nor the rights of Mortgagee protection provisions of this Declaration shall be amended without the written approval of all institutional first Mortgagees.

56 Agent for Service of Process. James D. Gibbons, 79 West 4500 North, Provo, Utah 84604, is the person to receive service of process in the 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, Utah County, Utah.

EXECUTED BY DECLARANT on this 5 day of April, 1988.

"DECLARANT"

ATTEST:

CAMPUS DEVELOPMENT INCORPORATED
a Utah Corporation

Julene Judd
Julene Judd, Secretary

James D. Gibbons
James D. Gibbons, President

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

On this 8th day of April, 1988, personally appeared before me James D. Gibbons and Julene Judd, who being by me duly sworn did say that they are the President and Secretary, respectively, of CAMPUS DEVELOPMENT INCORPORATED, a Utah Corporation, that the foregoing Declaration of Condominium was signed on behalf of said corporation by authority of its By-Laws signed on behalf of said corporation by authority of its By-Laws or a resolution of its Board of Directors, and said individuals did acknowledge that said corporation executed the foregoing Declaration of Condominium.

James M. Norman
NOTARY PUBLIC

My Commission Expires:

1-15-91

Residing at:

Springville

Third Amendment

TO DECLARATION OF NORTH CANYON CONDOMINIUMS A CONDOMINIUM PROJECT

This Third Amendment to the Declaration of North Canyon Condominiums, a condominium project, is made on the date set forth at the end hereof by the management committee of the Homeowners Association of the North Canyon Condominiums, hereinafter called "Declarant," for themselves, their successors, grantees, and assigns, pursuant to the Condominium Ownership Act of the State of Utah

Recitals

A. This third amendment to the Declaration of North Canyon Condominiums is intended to and shall affect only those specific provisions of the declaration as are referred to hereafter. The original declaration herein amended was recorded November 20, 1987, as Entry No. 42664 in Book 2470 at Pages 170-233. All provisions of the declaration not specifically amended herein shall remain as in the original and in full force and effect.

B. Declarant is the management committee of the Homeowners Association of the North Canyon Condominiums who collectively are the owners of real property in Utah County, Utah, known as the North Canyon Condominiums and located at 2244 North Canyon Road, Provo, UT 84604.

C. Various modifications have been made to condominium units on the second and third floors of the North Canyon Condominium structure as represented on the amended sheet 2 of 3 of the Record of Survey Map of the North Canyon Condominiums which is incorporated herein by reference and recorded simultaneously herewith.

D. The square footages represented for each unit of the North Canyon Condominiums in Exhibit "A" of the North Canyon Condominium Project are not accurate. The actual square footage of each of the units has been determined by measurement and is set forth on the amended sheet 2 of 3 of the Record of Survey Map of the North Canyon Condominiums referred to herein. Declarants represent that Exhibit "A" of the North Canyon Condominium Project should be amended to reflect both the actual square footages of the modified units as well as the actual square footages of all of the units. Declarants further represent that said amendment is not intended to nor does it affect the voting rights or dues assessments contained in the original Declaration of the North Canyon Condominiums.

NOW, THEREFORE, for the foregoing purposes, the Declarant hereby makes the following third amendment to the Declaration containing conditions and restrictions relating to the North Canyon

Condominium Project which, pursuant to the provisions of the Condominium ownership act of the State of Utah shall be enforceable, equitable servitude, or reasonable, and shall run with the land.

EXECUTED BY DECLARANT on this 6th day of March, 1992.

Eldon H. Puckett

E. LeRoy Fillmore

Vera W. Richards

Richard A. Smith
James Woodmansee

STATE OF UTAH)
) ss.
COUNTY OF UTAH)

On this 6th day of March, 1992, personally appeared before me Eldon Puckett, E. LeRoy Fillmore,
Vera W. Richards, Richard A. Smith,
and James Woodmansee, who being by me duly sworn did say that they are the members of the management committee of the North Canyon Condominium Homeowners Association and that on the 2nd day of March, 1992, a meeting was held pursuant to notice properly given and that a vote was taken for the approval and adoption of this Third Amendment and that at least 75 percent (75%) of the percentage interest of the unit owners in person or represented by proxy were in attendance at the meeting of the association at which a quorum was present and that the vote was in the affirmative for approval of the this Third Amendment. The foregoing further stated that the foregoing Third Amendment to the North Canyon Condominium Project was signed by them as members of the management committee of the North Canyon Condominium Project.

[Signature]
NOTARY PUBLIC

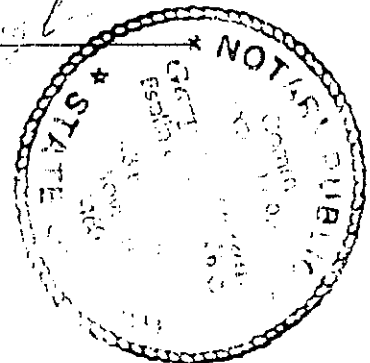


EXHIBIT "A"
THE NORTH CANYON CONDOMINIUM PROJECT
APPROXIMATE SQUARE FOOTAGE

UNIT NO	APPROXIMATE SQUARE FOOTAGE	NO OF VOTES
101	1255	1
102	1255	1
103	1111	1
104	1111	1
105	1111	1
106	1111	1
107	1134	1
108	1134	1
109	1111	1
110	1111	1
111	1134	1
112	1134	1
113	1111	1
114	1111	1
115	1255	1
116	1255	1
201	1255	1
202	1255	1
203	1455	1
204	1455	1
205	766	1
206	766	1
207	1134	1
208-210	2258	2
209	1111	1
211	1134	1
212	1134	1
213	1111	1
214	1111	1
215	1255	1
216	1255	1
301	1255	1
302	1255	1
303	1111	1
304	1111	1
305	1111	1
306	1111	1
307	1475	1
308	1134	1
309	766	1
310	1111	1
311	1134	1
312	1134	1
313	1111	1
314	1111	1
315	1255	1
316	1255	1

Fourth Amendment

TO DECLARATION OF NORTH CANYON CONDOMINIUMS

A CONDOMINIUM PROJECT

This Fourth Amendment to the Declaration of North Canyon Condominiums, a condominium project, is made on the date set forth at the end hereof by the Management Committee of the North Canyon Condominium Homeowners Association, more often referred to as the Governing Board of the Association, hereinafter called "The Declarant," for themselves, their successors, grantees and assigns, pursuant to the Condominium Ownership Act of the State of Utah.

Recitals

A. This fourth amendment to the Declaration of North Canyon Condominiums is intended to and shall affect only those specific provisions of the Declaration as are referred to hereinafter. The original Declaration herein amended was recorded 20 November 1987 as Entry No. 42664 in Book 2470 at Pages 170-233. All provisions of the Declaration and Amendments not specifically amended herein shall remain as in the original Declaration and Amendments, and in full force and effect.

B. Declarant is the Management Committee which is the Governing Board of the North Canyon Condominium Homeowners Association who collectively are the owners of real property in Utah County, Utah, known as the North Canyon Condominiums and located at 2244 North Canyon Road, Provo, UT 84604.

C. Section III, Item 7B(e) of the Declaration states that "No activities shall be carried on or permitted in any Unit or in the Common Areas ... which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project ..." The Declarant hereby makes amendment to establish the specific new Condition and Restriction that henceforth any Owner or Lessee, or any guest or guests of the same, shall be prohibited from smoking tobacco within the Project, present Unit Owners within their own Units excepted.

D. Section III, Item 21(d) of the Declaration states that "The Management Committee shall have, and is hereby granted ... the power to sue and to be sued." The Declarant hereby makes amendment to establish the specific new Condition and Restriction that henceforth, the Management Committee shall have power to sue only after it has obtained consent to do so, in each instance, from at least seventy five percent (75%) of the Owners of Units.

E. Section III, Item 34 of the Declaration states that "Each Owner, at his own expense shall procure and maintain at all times, fire and extended coverage insurance covering all furnishings, fixtures, appliances, equipment and improvements located in his Unit against loss by fire and other casualties ... in an amount equal to at least eighty percent (80%) of the full

EXECUTED BY DECLARANT: on this 7th day of October 1994,

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Fifth Amendment

TO DECLARATION OF NORTH CANYON CONDOMINIUMS

A CONDOMINIUM PROJECT

This Fifth Amendment to the Declaration of North Canyon Condominiums, a condominium project, is made on the date set forth at the end hereof by the Management Committee of the North Canyon Condominium Homeowners Association, more often referred to as the Governing Board of the Association, hereinafter called "The Declarant," for themselves, their successors, grantees and assigns, pursuant to the Condominium Ownership Act of the State of Utah

Recitals

A This fifth amendment to the Declaration of North Canyon Condominiums is intended to and shall affect only those specific provisions of the Declaration as are referred to hereinafter. The original Declaration herein amended was recorded 20 November 1987 as Entry No. 42664 in Book 2470 at Pages 170-233. Subsequently four amendments to the original Declaration were executed and recorded. All provisions of the Declaration and Amendments thereto not specifically amended herein shall remain as in the original Declaration and Amendments, and in full force and effect.

B Declarant is the Management Committee which is the Governing Board of the North Canyon Condominium Homeowners Association who collectively are the owners of real property in Utah County, Utah, known as the North Canyon Condominiums and located at 2244 North Canyon Road, Provo, UT 84604.

C Section III, Item 30 of the Declaration states that "The Management Committee shall at all times maintain in force . . . hazard insurance meeting the following requirements:

"(a) A 'master' or 'blanket' type policy of property insurance . . . covering the entire Project, including: Common Areas and Facilities; Limited Common Areas; Units; fixtures, building service equipment, personal property, and supplies . . . owned by the Owners Association; and fixtures, equipment, or other property comprising a part of or located within any Unit

"As a minimum, such 'master' or 'blanket' policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement . . . in an amount not less than 100% of current replacement cost of all elements of the project exclusive of land, foundations

WHEREAS, it is the intention of the Homeowners Association that the items to be insured by the "blanket" policy should not include Unit Owners' liability or potential losses to their own personal property. Thus there is need for a specific definition of the "blanket" insurance coverage within the Units in order to avoid overlap and confusion.

Therefore, the Declarant hereby makes amendment to Section 30 to establish the specific items within each and all of the individual Units to be covered by the "blanket" type hazard insurance, which shall be designated as the Primary Insurance. The specified items shall be the Fixtures, and other items normally included as part of the condominium Units, including but not limited to the following: microwave ovens, kitchen ranges, dishwashers, air-conditioners, clothes washers, clothes dryers, venetian blinds, and fixed-in-place carpets. Personal property, including but not limited to vehicles, furnishings, furniture, appliances, personal equipment, tools, clothing, books, computers, items of personal adornment and personal items shall not be covered by the "blanket" type hazard insurance.

D Section III, Item 34, is hereby amended in its entirety, to provide as follows:

"34 Owner's Own Insurance. Each Unit Owner, at his own expense, shall produce and maintain at all times fire and extended coverage insurance covering all personal property, including but not limited to, vehicles, furnishings, furniture, appliances, personal equipment, tools, clothing, books, computers, and personal items, against loss by fire and other casualties, including without limitation vandalism and malicious mischief, in an amount equal to at least eighty percent (80%) of the full replacement value thereof. All policies shall provide liability insurance such that it does not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Declaration. Each Unit Owner shall provide satisfactory evidence of such insurance to the Association promptly upon request. Notwithstanding the provisions hereof, each Unit Owner may obtain insurance at his own expense providing coverage upon his Condominium Unit, his personal property, for his personal liability, and covering such other risks as he may deem appropriate; provided that each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Declaration. If obtainable, all such insurance of the Owner's Condominium Unit and risks associated therewith shall contain a waiver of the insurance company's right of subrogation against the Association, the Declarant, the Manager, other owners, and their respective servants, agents, and guests."

EXECUTED BY DECLARANT on this 31st day of October 1995,

Sixth Amendment

TO DECLARATION OF NORTH CANYON CONDOMINIUMS

A CONDOMINIUM PROJECT

This Sixth Amendment to the Declaration of North Canyon Condominiums, a condominium project, is made on the date set forth at the end hereof by the Management Committee of the North Canyon Condominium Homeowners Association, more often referred to as the Governing Board of the Association, hereinafter called "The Declarant," for themselves, their successors, grantees and assigns, pursuant to the Condominium Ownership Act of the State of Utah

Recitals

A. This sixth amendment to the Declaration of North Canyon Condominiums is intended to and shall affect only those specific provisions of the Declaration as are referred to hereinafter. The original Declaration herein amended was recorded 20 November 1987 as Entry No. 42664 in Book 2470 at Pages 170-233. Subsequently five amendments to the original Declaration were executed and recorded. All provisions of the Declaration and Amendments thereto, not specifically amended herein, shall remain as in the original Declaration and Amendments, and in full force and effect.

B. Declarant is the Management Committee which is the Governing Board of the North Canyon Condominium Homeowners Association who collectively are the owners of real property in Utah County, Utah, known as the North Canyon Condominiums, and located at 2244 North Canyon Road, Provo, UT 84604.

C. Section III, Article 10 (Computation of Percentage Interest) of the Declaration states, "Within the seven year period during which the Declarant may expand the project by inclusion of the additional land, there shall be no allocation of undivided ownership interest in the common areas." "After the expiration of the seven-year period, ... the percentage of undivided ownership interest in the common areas ... shall be equal to the ratio of the Par Value or size of such Unit and the aggregate Par Value or size of all Units included in the Project."

WHEREAS, it is the intention of the Homeowners Association that there shall be no allocation of undivided ownership in the common areas beyond the first seven years; that each Unit is to continue to be entitled to one vote; and that annual meetings shall be held on the first Tuesday in October;

THEREFORE, the Declarant hereby makes amendment to Section III, Article 10 Computation of Percentage Interest by the deletion of the entire Article 10, replaced by the following: "There shall be no allocation of undivided ownership interest in the common areas. The percentage of undivided ownership interest in the common areas shall be equal for all Units."

D IN ADDITION, the Declarant hereby makes amendment to that portion of the Declaration identified as the BY-LAWS, by the deletion of the first sentence of BY-LAWS Section II, Item 2, Voting, replaced by the following: "Since the proportionable percentage interest of all the Units in the Project are nearly identical, each Unit has one (1) vote."

E ALSO, the Declarant hereby makes amendment to the portion of the Declaration identified as BY-LAWS, by the deletion of the first sentence of BY-LAWS Section II, Item 4, Annual Meeting, replaced by the following: "The annual meeting of the Association shall be held on the first Tuesday in October of each year."

EXECUTED BY DECLARANT on this 4th day of November 1997,

Thelma Bond [Signature] Marjorie R. Stewart Grant Harris Russell Peterson

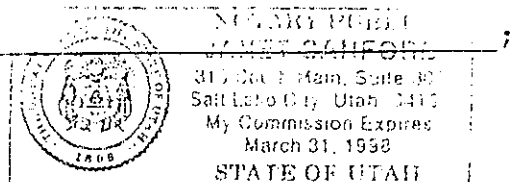
STATE OF UTAH)
)ss.
COUNTY OF UTAH)

On this 4th day of November, 1995, personally appeared before me Thelma Bond, James Woodmansee, Marjorie Stewart, Grant Harris and Russell Peterson, who being by me duly sworn did say that they are the members of the Management Committee of the North Canyon Condominium Homeowners Association; and that pursuant to notice properly given, and at least 25 out of 48 units being represented by owners and/or proxies, that at least seventy-five percent (75%) of the unit owners represented had given consent to this Sixth Amendment at the regular annual meeting of the association held on 7 October 1997. The foregoing further stated that the attached Sixth Amendment to the North Canyon Condominium Project was signed by them as members of the Management Committee of the North Canyon Condominium Project.

Janet Sanford Notary Public,

residing at Provo, Utah

My Commission Expires: 3-31-98



Seventh Amendment

TO DECLARATION OF NORTH CANYON CONDOMINIUMS

A CONDOMINIUM PROJECT

This Seventh Amendment to the Declaration of North Canyon Condominiums, a condominium project, is made on the date set forth at the end hereof by the Management Committee of the North Canyon Condominium Homeowners Association, more often referred to as the Governing Board of the Association, hereinafter called "The Declarant," for themselves, their successors, grantees and assigns, pursuant to the Condominium Ownership Act of the State of Utah.

Recitals

A. This seventh amendment to the Declaration of North Canyon Condominiums is intended to and shall affect only those specific provisions of the Declaration as are referred to hereinafter. The original Declaration herein amended was recorded 20 November 1987 as Entry No. 42664 in Book 2470 at Pages 170-233. Subsequently six amendments to the original Declaration were executed and recorded. All provisions of the Declaration and Amendments thereto, not specifically amended herein, shall remain as in the original Declaration and Amendments, and in full force and effect.

B. Declarant is the Management Committee which is the Governing Board of the North Canyon Condominium Homeowners Association who collectively are the owners of real property in Utah County, Utah, known as the North Canyon Condominiums, and located at 2244 North Canyon Road, Provo, UT 84604.

C. Section III, Article 52 of the Declaration states, "Audit. Any Owner may at any reasonable time, upon appointment, and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association. The Association, at the expense of the Common Expense Fund, shall obtain an audit by a certified public accountant, of all books and records pertaining to the Project at no greater than annual intervals, and copies thereof shall be furnished to all the Owners."

WHEREAS, it is the intention of the Homeowners Association that an appropriate annual examination of the books and records of the project by a qualified independent expert, selected by the Board of Directors, would adequately achieve financial review at considerably less time and cost than by means of an annual full scale audit by a certified public accountant;

THEREFORE, the Declarant hereby makes amendment to Section III, Article 52 by the deletion of the entire Article 52, replaced by the following: "52. Financial Examination. Any Owner may at any reasonable time, upon appointment, and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association. The Association, at the expense of the Common Expense Fund, shall obtain an appropriate annual examination of the books and records of the project by a qualified independent expert, selected by the Board of

EIGHTH AMENDMENT TO DECLARATION
OF NORTH CANYON CONDOMINIUMS
A CONDOMINIUM PROJECT

ENT 129030:2004 PG 1 of 2
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2004 Nov 16 10:09 am FEE 59.00 BY LJ
RECORDED FOR SMITH, RICHARD A

This Eighth Amendment to the Declaration of North Canyon Condominiums, a Condominium Project, is made on the date set forth at the end hereof by the management committee of the Homeowners Association of the North Canyon Condominiums, hereinafter called "Declarant," for themselves, their successors, grantees, and assigns, pursuant to the Condominium Ownership Act of the State of Utah.

RECITALS

A. This eighth amendment to the Declaration of North Canyon Condominiums is intended to and shall affect only those specific provisions of the Declaration as are referred to hereafter. The original Declaration herein amended was recorded November 20, 1987, as Entry No. 42664 in Book 2470 at Pages 170-233. Subsequently seven amendments to the original Declaration were executed and recorded. All provisions of the Declaration and Amendments thereto, not specifically amended herein, shall remain as in the original Declaration and Amendments, and in full force and effect.

B. Declarant is the Management Committee which is the Governing Board of the North Canyon Condominium Homeowners Association who collectively are the owners of real property in Utah County UT, known as the North Canyon Condominiums, and located at 2244 North Canyon Road, Provo UT 84694.

C. Section III, Article 52 was amended by the Seventh Declaration Amendment to the following: "52. Financial Examination. Any Owner may at any reasonable time, upon appointment, and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association. The Association, at the expense of the Common Expense Fund, shall obtain an appropriate annual examination of the books and records of the project by a qualified independent expert, selected by the Board of Directors."

WHEREAS, it is the intention of the Homeowners Association to eliminate the need for a qualified, independent expert to achieve financial review;

THEREFORE, the Declarant hereby makes amendment to Article 52 by the deletion of the entire Article 52 as amended, replaced by the following: "52. Financial Examination. Any Owner may at any reasonable time, upon appointment, and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association. The Association, at the expense of the Common Expense Fund, shall obtain an appropriate annual examination of the books and records of the Association by a group of homeowners, independent of, but selected by the Board. This group of homeowners shall report their findings at the annual meeting of the Association."

D. Declaration Exhibit "B" By-Laws, Article III, Section 1(l) states, "(l) Keeping books with detailed accounts of the receipts and expenditures affecting the Property, and the

administration of the Project, specifying the maintenance and repair expenses of the Common Areas and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Committee for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting practices, and the same upon resolution of the Association, shall be audited at least once a year by an outside auditor employed by the Committee who shall not be a resident of the Project, or an Owner therein. The cost of such audit shall be a Common Expense. A copy of the annual audit report shall be supplied to any first mortgagee of any Unit in the Project who requests the same in writing from the Secretary;"

WHEREAS, it is the intention of the Homeowners Association to amend the By-Laws so as to make them consistent with the foregoing amendment to the Declaration.

THEREFORE, the Declarant hereby makes amendment to Exhibit "B" By-Laws, Article III, Section 1(l) by the deletion of the entire Article III, Section 1(l), replaced by the following: "(l) The Management Committee shall be responsible for keeping books with detailed accounts of the receipts and expenditures affecting the Property, and the administration of the Project, specifying the maintenance and repair expenses of the Common Areas and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Committee for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting practices and there shall be an annual financial examination as described in Section III, Article 52 of the Declarations."

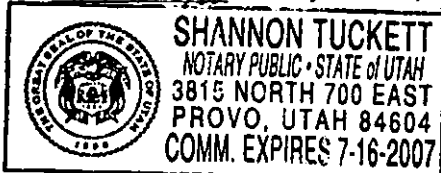
EXECUTED BY DECLARANT on this 10th Day of November 2004,

Duane Bartle *William Graden* *Alyssa Dick* *Troy Rueckert*

STATE OF UTAH)
) ss.
COUNTY OF UTAH)

On this 10th day of November 2004, personally appeared before me William Graden, Troy Scotter, Duane Bartle, Alyssa Dick and David Rueckert, who being by me duly sworn did say that they are the members of the Management Committee of the North Canyon Condominium Homeowners Association; and that pursuant to notice properly given, and at least 25 out of 48 units being represented by owners and/or proxies, that at least seventy-five percent (75%) of the unit owners represented had given consent to this Eighth Amendment at the regular annual meeting of the Association held on October 5, 2004. The foregoing further stated that the attached Eighth Amendment to the North Canyon Condominium Project was signed by them as members of the Management Committee of the North Canyon Condominiums Project.

Shannon Tuckett Notary Public, residing at 3815 N. 700 E. Provo My Commission expires 7-16-2007



NINTH AMENDMENT TO DECLARATION
OF NORTH CANYON CONDOMINIUMS
A CONDOMINIUM PROJECT

ENT 129031:2004 PG 1 of 2
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2004 Nov 16 10:09 am FEE 59.00 BY LJ
RECORDED FOR SMITH, RICHARD A

This Ninth Amendment to the Declaration of North Canyon Condominiums, a Condominium Project, is made on the date set forth at the end hereof by the management committee of the Homeowners Association of the North Canyon Condominiums, hereinafter called "Declarant," for themselves, their successors, grantees, and assigns, pursuant to the Condominium Ownership Act of the State of Utah.

RECITALS

A. This Ninth amendment to the Declaration of North Canyon Condominiums is intended to and shall affect only those specific provisions of the Declaration as are referred to hereafter. The original Declaration herein amended was recorded November 20, 1987, as Entry No. 42664 in Book 2470 at Pages 170-233. Subsequently eight amendments to the original Declaration were executed and recorded. All provisions of the Declaration and Amendments thereto, not specifically amended herein, shall remain as in the original Declaration and Amendments, and in full force and effect.

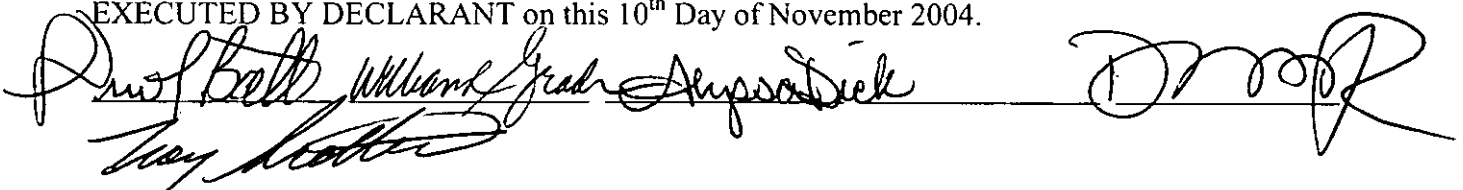
B. Declarant is the Management Committee which is the Governing Board of the North Canyon Condominium Homeowners Association who collectively are the owners of real property in Utah County UT, known as the North Canyon Condominiums, and located at 2244 North Canyon Road, Provo UT 84694.

C. Declaration Exhibit "B" By-Laws, Article III, Section 14 states, "14. Fidelity Bonds. The Committee shall require that all officers, agents (including Professional Manager and its employees) and employees of the Association handling or responsible for funds to furnish adequate fidelity bonds. The premiums on such bonds shall constitute a Common Expense. The Committee shall provide fidelity insurance coverage as required by the Declaration."

WHEREAS, it is the intention of the Homeowners Association to provide equivalent fidelity bond coverage by means of *either* fidelity bonding or by employee dishonesty insurance in the amounts specified by Declaration Section III, Article 31;

THEREFORE, the Declarant hereby makes amendment to Exhibit "B" By-Laws, Article III, Section 14 by the deletion of the entire Article III, Section 14, replaced by the following: "14. Theft Insurance. The Committee shall require that all officers, agents (including a Professional Manager and its employees) and employees of the Association handling or responsible for funds to furnish adequate fidelity bonds or to be covered by employee theft insurance. The premiums on such bonds shall constitute a Common Expense. The Committee shall provide coverage as required by the Declaration."

EXECUTED BY DECLARANT on this 10th Day of November 2004.

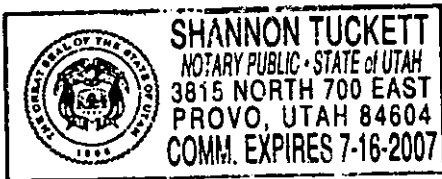
The block contains two handwritten signatures. The signature on the left is written over a horizontal line and appears to be "David Bell" followed by "William Grad" and "Angela Dick". The signature on the right is also written over a horizontal line and appears to be "D. M. R."

STATE OF UTAH)
) ss.
COUNTY OF UTAH)

ENT 129031:2004 PG 2 of 2

On this 10th day of November 2004, personally appeared before me William Graden, Troy Scotter, Duane Bartle, Alyssa Dick and David Rueckert, who being by me duly sworn did say that they are the members of the Management Committee of the North Canyon Condominium Homeowners Association; and that pursuant to notice properly given, and at least 25 out of 48 units being represented by owners and/or proxies, that at least seventy-five percent (75%) of the unit owners represented had given consent to this Ninth Amendment at the regular annual meeting of the Association held on October 5, 2004. The foregoing further stated that the attached Ninth Amendment to the North Canyon Condominium Project was signed by them as members of the Management Committee of the North Canyon Condominiums Project.

Shannon Tuckett Notary Public, residing at 3815 N. 700 E. Provo My Commission expires 7-16-2007



TENTH AMENDMENT TO DECLARATION
OF NORTH CANYON CONDOMINIUMS
A CONDOMINIUM PROJECT

ENT 129032:2004 PG 1 of 2
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2004 Nov 16 10:09 am FEE 59.00 BY LJ
RECORDED FOR SMITH, RICHARD A

This Tenth Amendment to the Declaration of North Canyon Condominiums, a Condominium Project, is made on the date set forth at the end hereof by the management committee of the Homeowners Association of the North Canyon Condominiums, hereinafter called "Declarant," for themselves, their successors, grantees, and assigns, pursuant to the Condominium Ownership Act of the State of Utah.

RECITALS

A. This Tenth amendment to the Declaration of North Canyon Condominiums is intended to and shall affect only those specific provisions of the Declaration as are referred to hereafter. The original Declaration herein amended was recorded November 20, 1987, as Entry No. 42664 in Book 2470 at Pages 170-233. Subsequently nine amendments to the original Declaration were executed and recorded. All provisions of the Declaration and Amendments thereto, not specifically amended herein, shall remain as in the original Declaration and Amendments, and in full force and effect.

B. Declarant is the Management Committee which is the Governing Board of the North Canyon Condominium Homeowners Association who collectively are the owners of real property in Utah County UT, known as the North Canyon Condominiums, and located at 2244 North Canyon Road, Provo UT 84694.

C. Declaration Exhibit "A" contains a list of Unit number designations, the approximate square footage, and the number of votes applicable to that Unit. To correct for construction modifications to the original plan, the Third Amendment provided a revised list of Unit numbers, square footage and number of votes. Units 208 and 210 were combined in that list, because the two Units had been built and were owned and occupied as a single dwelling at that time. These Units have now been separated and sold to different owners.

WHEREAS, it is the intention of the Homeowners Association to provide a corrected Exhibit "A" to reflect actual present Unit area and voting conditions;

THEREFORE, the Declarant hereby makes amendment to Declaration Exhibit "A" by the deletion of the entire Exhibit "A," replaced by the following:

Exhibit "A"

<u>Unit Number</u>	<u>Approx Sq Feet</u>	<u>Number of Votes</u>	<u>Unit Number</u>	<u>Approx Sq Feet</u>	<u>Number of Votes</u>	<u>Unit Number</u>	<u>Approx Sq Feet</u>	<u>Number of Votes</u>
101	1255	1	201	1255	1	301	1255	1
102	1255	1	202	1255	1	302	1255	1
103	1111	1	203	1455	1	303	1111	1
104	1111	1	204	1455	1	304	1111	1
105	1111	1	205	766	1	305	1111	1
106	1111	1	206	766	1	306	1111	1
107	1134	1	207	1134	1	307	1475	1
108	1134	1	208	956	1	308	1134	1
109	1111	1	209	1111	1	309	766	1
110	1111	1	210	1289	1	310	1111	1
111	1134	1	211	1134	1	311	1134	1
112	1134	1	212	1134	1	312	1134	1
113	1111	1	213	1111	1	313	1111	1
114	1111	1	214	1111	1	314	1111	1
115	1255	1	215	1255	1	315	1255	1
116	1255	1	216	1255	1	316	1255	1

EXECUTED BY DECLARANT on this 10th Day of November 2004.

STATE OF UTAH)

) ss.

COUNTY OF UTAH)

On this 10th day of November 2004, personally appeared before me William Graden, Troy Scotter, Duane Bartle, Alyssa Dick and David Rueckert, who being by me duly sworn did say that they are the members of the Management Committee of the North Canyon Condominium Homeowners Association; and that pursuant to notice properly given, and at least 25 out of 48 units being represented by owners and/or proxies, that at least seventy-five percent (75%) of the unit owners represented had given consent to this Tenth Amendment at the regular annual meeting of the Association held on October 5, 2004. The foregoing further stated that the attached Tenth Amendment to the North Canyon Condominium Project was signed by them as members of the Management Committee of the North Canyon Condominiums Project.

Shannon Tuckett Notary Public, residing at 3815 N. 700 E. PROVO My Commission expires 7-16-2007

