

 **COPY**

BYLAWS
OF
SHADOW CANYONS
HOMEOWNERS ASSOCIATION OF IVINS, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is SHADOW CANYONS HOMEOWNERS ASSOCIATION OF IVINS, INC., hereinafter referred to as "Association". The principal office of the Association shall be located at 2238 South 1959 East, St. George, Utah 84790, but meetings of Members and Directors may be held at such places within the State of Utah, County of Washington, as may be designated by the Board of Directors. The Board of Directors may also change the location of the principal office of the Association.

ARTICLE II

DEFINITIONS

Section 1. "Expandable Land" means and refers to those portions of land set forth in Exhibit A of the Declaration, which sets forth property that Declarant may obtain in order to expand the SHADOW CANYONS SUBDIVISION, PHASE 1.

Section 2. "Board of Directors" means and refers to the governing board of the Association.

Section 3. "Common Area" means and refers to all real Property (including the improvements thereto) owned by the Association or hereafter acquired for the common use and enjoyment of the Members and not dedicated for use by the general public. The Declarant may increase the amount of the Common Area by deeding additional property to the Association. Specifically exempted from Common Area are all dedicated public streets and Lots platted on the Official Plat of "SHADOW CANYONS SUBDIVISION, PHASE 1," as recorded on the Official Records of the Washington County Recorder and as the same may hereafter be modified, amended, supplemented or expanded in accordance with the provisions of the Declaration or supplements to the Declaration which are to occur in conjunction with the expansion of the project.

Section 4. "Conveyance" means and refers to an actual conveyance of fee title to any Lot to any owner by a warranty deed or other document of title.

Section 5. "Declarant" means and refers to SHADOW CANYON DEVELOPMENT, INC., a Utah corporation, and its successors and assigns, if such successors or assigns shall acquire more than one (1) undeveloped Lot from the Declarant for the purpose of development.

Section 6. "Declaration" means and refers to the Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded in the office of the Recorder of Washington County, State of Utah, and any amendments thereto.

Section 7. "Homeowners Association" or "Association" means and refers to the SHADOW CANYONS HOMEOWNERS ASSOCIATION OF IVINS, a Utah non-profit corporation, and its successors and assigns.

Section 8. "Home," "Living Unit" or "Unit" means and refers to a structure which is designated and intended for use and occupancy as a single family residence, together with all improvements located on the Lot concerned and which are used in conjunction with such residence. Multiple family dwellings are not included in this definition and are not allowed in the Project.

Section 9. "Lot" means and refers to any plot of land shown upon any recorded subdivision map of the Property, and specifically excepting the Common Area and areas dedicated to the use of the general public.

Section 10. "Member" means and refers to every person or entity holding membership in the Association.

Section 11. "Owner" or "Lot Owner" means and refers to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract purchasers, but excluding those having an interest merely as security for the performance of an obligation.

Section 12. "Property" "Properties" or "Project" means and refers to that certain real property referred to in Recital A and Exhibit A of the Declaration and is included herein by this reference and such additions thereto as may hereafter be subject to the Declaration or any supplements to the Declaration to all or any portion within the Expandable Land and containing such complementary or amended provisions for such additional land as are required by the Declaration.

Section 13. "Supplementary Declaration" means and refers to any supplementary declaration of covenants, conditions, and restrictions or similar instrument, which may extend the provisions of the Declaration to all or any portion within the Expandable Land and containing such complementary or amended provisions for such additional land as are required by the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day each year thereafter. If the day for

the annual meeting of the Members is a legal holiday or weekend day, the meeting will be held on the first day following that is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, two-thirds (2/3) of the votes of each class of Membership as provided in the Declaration shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

Section 1. Number. A Board of three (3) Directors, who need not be Members of the Association, shall manage the affairs of this Association.

Section 2. Term of Office. At the first annual meeting, the Members shall elect one (1) Director for a term of one (1) year, one (1) Director for a term of two (2) years, and one (1) Director for a term of three (3) years; at each annual meeting thereafter, the Members shall elect one (1) Director for a term of three (3) years.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual reasonable expenses incurred in the performance of his duties.

Section 5. Action Taken Without A Meeting. The Directors shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman, who shall be a Member of the Board of Directors, and two or more Members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or nonmembers.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) Directors, after not less than three (3) days written notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Areas, and the personal conduct of the Members and their tenants, lessees, guests or invitees thereon, and to establish, impose, assess and collect fines and penalties for the infraction thereof;

(b) Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules and regulations.

(c) Exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration.

(d) Declare the office of a member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Adopt and publish rules and regulations governing the use of the Common Area, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed.

(c) Pursuant to the Declaration, establish the annual assessment period and fix the amount of the annual base assessment against each Member for each Lot owned at least thirty (30) days in advance of each annual assessment.

(d) Send written notice of each assessment to every Owner subject thereto.

(e) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action of law against the Owner personally obligated to pay the same.

(f) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(g) Procure and maintain liability and such other insurance on property owned by the Association.

(h) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

(i) Cause the Common Area to be maintained, preserved and kept in good repair.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a president and vice president, who shall at all times be Members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The same person may hold the offices of president and secretary. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; see that orders and resolutions of the Board are carried out; sign all leases, mortgages, deeds, and other written instruments; and co-sign all checks and promissory notes.

(b) Vice President. The vice president shall act in the place and stead of the president in the event of his absence, inability, or refusal to act; and exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records, showing the Members of the Association, together with their addresses; and perform such other duties as required by the Board.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the association books to be made by a public account at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the Members.

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint such committees as deemed appropriate in carrying out its purposes.

ARTICLE X

BOOKS AND RECORDS

The books, records, and paper of the Association shall at all times during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Lot

against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, or at such other rate as the Board of Directors shall establish from time to time, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by the non-use of the Common Area or abandonment of his Lot. Notwithstanding the above, Declarant shall pay no assessment (annual, special or additional) unless a Home owned by Declarant is constructed on a Lot and is occupied as a residence.

ARTICLE XII

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and on the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIII

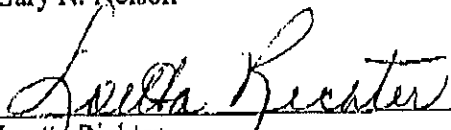
MISCELLANEOUS

The fiscal year of the Association shall begin on the 1st day of January and end of the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the Directors of SHADOW CANYONS HOMEOWNERS ASSOCIATION OF IVINS, INC., have executed these Bylaws on this 5th day of May, 2005.


Raymond C. DeWitt

Gary N. Nelson


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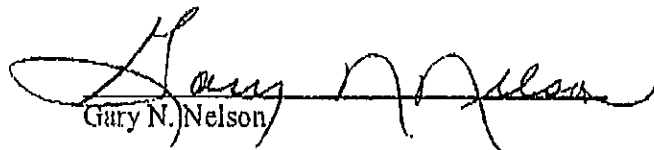
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