



**AMENDMENT TO DECLARATION
 OF
 RAINBOW RIDGE MOBILE HOME PARK**

This Amendment to Declaration is made and executed on the date shown below by Rainbow Ridge Mobile Home Park.

RECITALS

WHEREAS, Rainbow Ridge Mobile Home Park was created by a “Declaration of Protective Covenants, Conditions and Restrictions of Rainbow Ridge Mobile Home Park” (hereinafter “Enabling Declaration”) recorded in the records of Washington County, Utah on May 11, 1981, in book 289, beginning on page 600 as entry #227280; and

WHEREAS, Amended and Restated Declaration of Protective Covenants, Conditions & Restrictions of Rainbow Ridge Mobile Home Park (hereinafter the “2001 Amended Declaration”) were recorded in the records of Washington County, Utah on September 2001, in book 1425, beginning on page 1459 as entry #00734260, which 2001 Amended Declaration consolidated the Enabling Declaration with all other earlier amendments into the 2001 Amended Declaration; and

WHEREAS, it is the desire of the Lot owners of Rainbow Ridge to live in a mobile home park that is orderly, peaceful, well maintained and desirable, and that will allow for and protect the comfortable enjoyment of all residents of Rainbow Ridge; and

WHEREAS, Rainbow Ridge Lot owners desire to amend the 2001 Amended Declaration as set forth herein; and

WHEREAS, the Lot owners at Rainbow Ridge are desirous to ratify and approve the Articles of Incorporation of Rainbow Ridge Homeowners Association Inc., a Utah nonprofit corporation (the “Association”), which Association was created by filing Second Amended and Restated Articles of Incorporation with the Utah Division of Corporations and Commercial Code on December 21, 2007, and which Association operates for the purpose of managing the common properties and enforcing the provisions of the 2001 Amended Declaration, this Amendment to Declaration, and the Second Amended and Restated Bylaws of Rainbow Ridge Homeowners Association which are attached hereto as Exhibit A. The Association is the governing body of Rainbow Ridge and operates in accordance with the 2001 Amended Declaration, this Amendment to Declaration, the Articles of Incorporation, and the Bylaws for the purpose of managing the common properties and enforcing the provisions of the Association documents.

WHEREAS, the Lot owners at Rainbow Ridge are desirous to ratify and approve the Second Amended and Restated Bylaws of Rainbow Ridge Home Owners Association.

NOW THEREFORE, To accomplish the Lot Owners' objectives, the following amendment is adopted ratifying and approving the Second Amended & Restated Articles of Incorporation of Rainbow Ridge Homeowners Association, Inc, and ratifying and approving the Second Amended and Restated Bylaws of Rainbow Ridge Home Owners Association, and does hereby amend the 2001 Amended Declaration recorded real property located in Washington County, Utah, known as the Rainbow Ridge Mobile Home Park. If there is any conflict between this Amended Declaration and the 2001 Amended Declaration, this Amendment to Declaration shall control.

This Amendment shall become effective upon recording. The Rainbow Ridge Mobile Home Park 2001 Amended Declaration is hereby amended as follows:

AMENDMENT

ARTICLE I

RATIFICATION AND APPROVAL OF SECOND AMENDED & RESTATED ARTICLES OF INCORPORATION AND AMENDED AND RESTATED BYLAWS

- 1.1 The Lot owners at Rainbow Ridge do hereby ratify and approve the Articles of the Incorporation of Rainbow Ridge Home Owners Association, Inc., a Utah nonprofit corporation (the "Association"), which Second Amended & Restated Articles of Incorporation were filed with the Utah Division of Corporations and Commercial Code on December 21, 2007.
- 1.3 By voting to approve this Amended Declaration, the Lot owners hereby agree to adopt and approve the following documents:
 - a. this Amended Declaration
 - b. the Second Amended and Restated Articles of Incorporation
 - c. and the Second Amended and Restated Bylaws

As the Governing documents of the Rainbow Ridge Homeowners Association, Inc., which documents shall constitute equitable servitudes that shall run with the real property of Rainbow Ridge Home Owners Association, Inc., in Washington County, Utah, as recorded at the office of Washington County Recorder.

CERTIFICATION

It is hereby certified that the Lot owners holding not less than two thirds (2/3) of the undivided ownership interest in the common area and facilities have voted to approve the Amended Declaration.

IN WITNESS WHEREOF, this 16th day of January 2008.

Rainbow Ridge Mobile Home Park

By: [Signature]
President

STATE OF UTAH)
 :SS
COUNTY OF WASHINGTON)

On this 16th day of January, 2008, personally appeared before me Hollis T. Francom who, being by me duly sworn, did say that he/she is President of the Rainbow Ridge Home Owners Association and that the within and foregoing instrument was signed in behalf of said Board and (s)he duly acknowledged to me (s)he executed the same.

[Signature]
Notary Public

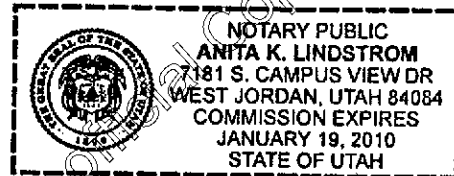


EXHIBIT A

**SECOND AMENDED AND RESTATED BYLAWS
OF
RAINBOW RIDGE HOMEOWNERS ASSOCIATION**

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SECOND AMENDED AND RESTATED BYLAWS

OF

RAINBOW RIDGE HOMEOWNERS ASSOCIATION

ARTICLE I

GENERAL

1.1 Purpose of Bylaws. These Second Amended and Restated Bylaws are adopted for the regulation and management of the affairs of Rainbow Ridge Homeowners Association, a Utah nonprofit corporation (the "Association"), organized to be the association to which reference is made in the Declaration of Covenants, Conditions, Restrictions and Written Text of Rainbow Ridge Development, as amended or supplemented from time to time (the "Declaration"), to perform the functions as provided in the Declaration and to further interests of Owners of Dwelling Units of Lots within the Development.

1.2 Definitions.

- a. "Articles of Incorporation" will be referred to as "Articles".
- b. "Declaration of Covenants, Conditions and Restrictions will be referred to as the "Declaration."
- c. These "Second Amended and Restated Bylaws" will be referred to as "Bylaws".
- d. "Utah Revised Nonprofit Corporation Act" will be referred to as the "Act".
- e. "Articles of Incorporation - Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions, Second Amended and Restated Bylaws and all Association Rules" will be referred to as the "Governing Documents".

1.3 Controlling Laws and Instruments. These Second Amended and Restated Bylaws are controlled by and shall be consistent with the provisions of the Utah Revised Nonprofit Corporation Act (the "Act"), the Declaration, and the Articles of Incorporation of the Association filed with the Division of Corporation and Commercial Code of the Utah Department of Commerce (the "Division"), as any of the foregoing may be amended from time to time.

ARTICLE II

OFFICES

2.1 Principal Office. The principal office of the Corporation shall be at 1526 N. Dixie Downs Rd. #76, St. George, UT 84770. The Board of Directors, at its discretion, may change from time to time the location of the principal office.

2.2 Registered Office and Agent. The Act requires that the Association have and continuously maintain in the State of Utah a registered office and registered agent. The registered agent must be an individual who resides in the State of Utah and whose business office is identical with the registered office. The initial registered office and the initial registered agent are specified in the Articles of Incorporation, by filing a statement as specified by law with the Division.

ARTICLE III

MEMBERS

3.1 Members. A "Member," as provided in the Declaration, is the person or, if more than one all persons collectively, who constitute the Owner of a Lot within the Development.

3.2 Memberships Appurtenant to Lots. Each Membership shall be appurtenant to the fee simple title to a Lot. The person or persons who constitute the owner of fee simple title to a Lot shall automatically be the holder of Membership appurtenant to that lot and the Membership shall automatically pass with fee simple title to the lot.

3.3 Members' Voting Rights. A Member shall be entitled to one (1) vote for each Lot which he or she owns within the Development. Only one (1) Member as defined in paragraph 3.1 can serve on the Board of Directors for any one given term.

3.4 Voting by Joint Ownership. In the event there is more than one (1) Owner of a particular Lot, the vote relating to such Lot shall be exercised as such Owners may determine among themselves. A vote cast at any Association meeting by any of such Owners, whether in person or by proxy or through ballot, shall be conclusively presumed to be the vote attributable to the Lot concerned, unless an objection is immediately made by another owner of the same Lot. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever, other than to determine whether a quorum exists.

3.5 Resolution of Voting Disputes. In the event of any dispute as to the entitlement of any Member to vote or as to the results of any vote of Members at a meeting, the Board of Directors of the Association shall act as arbitrator and the decision of a disinterested majority of the Board of Directors shall, when rendered in writing, be final and binding as an arbitration award and may be acted upon in accordance with Utah law.

3.6 Suspension of Voting Rights. The Board of Directors may suspend the voting rights of a Member for any period during which an assessment remains unpaid. The Board of Directors may also, after notice and hearing, suspend the right of the Member to use the Common Area and Facilities during and for up to (60) days following any breach by such Member or Occupant of any provision of the Declaration or of any Rule or Regulation adopted by the Association unless such breach is a continuing breach, in which case such suspension shall continue for so long as such breach continues and up to sixty (60) days thereafter.

3.7 Transfer of Membership on Association Books. Transfer of Membership shall be made only upon presentation of legal or legitimate evidence that is acceptable to the Association.

3.8 Assignment of Voting Rights to Tenants and Mortgagees. A Member may assign his or her right to vote to a tenant occupying his or her Unit or to a mortgagee of his Unit for the term of the lease or the mortgage and any sale, transfer or conveyance, shall be subject to any such assignment of voting rights to any tenant or mortgagee. Any such Assignment of voting rights and any revocation or termination of any assignment of voting rights shall be in writing and shall be filed with the Secretary of the Association.

ARTICLE IV

MEETING OF MEMBERS

4.1 Place of Members Meetings. Meetings of Members shall be held at the principal office of the Association or at such other place, within or convenient to the Association, as may be fixed by the Board of Directors and specified in the notice of the meeting.

4.2 Annual Meeting of Members. The Annual Meeting shall be held on the 3rd Saturday in January, or at such time as fixed by the Board of Directors of the Association and to transact such business as cited in paragraph 4.11.

4.3 Special Meeting of Members. 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 fifteen percent (15%) of the Members.

4.4 Record Date/Members List.

4.4.1 Record Date. The Record Date is for the Members to receive a notice so that they can exercise their rights with respect to any lawful action, such as voting, or other action taken by the Association. The record date shall be fixed by the Board, and shall not be fixed to be more than sixty (60) days hence to the time that the notice was provided.

4.4.2 Members Entitled to Notice. The Association shall give each Member entitled to vote a notice of any meeting. The notice will identify the place, date and time of each annual, regular or special meeting. The notice will be provided in the Association's Newsletter, in person or by mail. The notice will be issued no fewer than ten (10) days prior to or more than sixty (60) days before the meeting date.

4.4.3 Members List. The Association will be required to prepare a list of names of the Members as provided in Section 9.3.3.

4.5 Notice of Members' Meeting. A notice of an annual meeting or other meetings will be provided to all Members. The notice will be posted in the Newsletter or delivered personally or by mail. The notice will give the place, date and time of the meeting. The notice will be given no fewer than ten (10) days before or more than sixty (60) days before the meeting. The notice for the annual or regular or special meetings will include a description of the subject matter that will be considered and voted upon by the members. If any of the above meetings are cancelled, a different time and place will be provided.

4.6 Proxies and Ballots Used at Meetings. A member is entitled to vote by appointing another Member or a responsible person to exercise a proxy for them. A proxy can be valid for eleven (11) months unless the member expresses a specific time period less than eleven (11) months in the proxy form. The appointment of a proxy may be revoked at any time in writing by the Member who authorized it.

4.7 Telecommunications. Any or all of the members may participate in an Annual, Regular or Special Meeting of the Members. The meeting may be conducted through the use of any means of communication by which all persons participating in the meeting may hear each other during the meeting. A member participating in a meeting by these means under this Section is considered to be present in person in the meeting.

4.8 Quorum at Members' Meetings. At least twenty five percent (25%) of the votes of the Members shall constitute a quorum at any meeting of the Members. Members may be present in person, or by proxy or represented by ballot at a duly organized meeting. If a quorum is not achieved, another meeting may be scheduled at a later date to achieve a quorum.

4.9 Percentage Vote Required at Members' Meetings. At any meeting where a quorum is present, a majority of the votes present in person, by ballot, or by proxy and entitled to cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles of Incorporation, or these Second Amended and Restated Bylaws, except that, in the case of elections in which there are two (2) or more candidates, the persons receiving the highest number of votes shall be elected.

4.10 Cumulative Voting Not Permitted. Cumulative voting by Members in the election of Directors shall not be permitted.

4.11 Order of Business. The order of business at the Annual Meeting shall be as follows: (a) roll call with proxies to determine the voting power represented at the meeting; (b) proof of notice of meeting; (c) election of Directors; (d) report of finances; (e) other Association business; (f) open discussion concerning Association issues.

4.12 Expense of Meetings. The Association shall bear the expense of all Annual, Regular and Special Meetings of Members.

4.13 Signature of President. All official correspondence or papers will be signed by the President of the Association.

ARTICLE V

BOARD OF DIRECTORS

5.1 General Powers and Duties of the Board of Directors. The Board of Directors will be responsible to manage and supervise the affairs of the Association and shall have all powers necessary to permit it to do so. Without limiting the generality of the foregoing, the Board of Directors shall have the power to exercise or cause to be exercised for the Association all of the powers, rights and authority of the Association not reserved to Members in the Declaration, Articles and these Bylaws.

5.2 Special Powers and Duties of the Board of Directors. Without limiting the foregoing statement of general powers and duties of the Board of Directors or in the powers and duties of the Board of Directors as set forth in the Declaration, the Board of Directors shall be vested with the following specific powers and duties:

5.2.1 Assessments. The duty to fix and levy from time to time assessments, special assessments, and all other assessments upon the Members of the Association as provided in the Declaration; to enforce the payment of such delinquent assessment as provided in the Declaration.

5.2.2 Insurance. The duty to contract and pay premiums for fire and casualty and liability and other insurance in accordance with the provisions of the Declaration.

5.2.3 Common Area. The duty to manage and care for the Common Area, and to employ, if necessary, personnel necessary for the care and operation of the Common Area, and to contract and pay for the necessary or desirable improvements on property acquired by the Association in accordance with the Declaration.

5.2.4 Agents and Employees. The power to select, appoint, and remove all Officers, Agents, Employees of the Association, and Private Contractors and to prescribe such powers and duties for them as may be consistent with the law and with the Declaration, Articles and these Bylaws.

5.2.5 Borrowing. The power, with the approval of the Members representing at least 67% of the voting power of the Association, to borrow money and to incur indebtedness for the purpose of the Association, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, mortgages, pledges, hypothecations or other evidences of debt, and securities therefor.

5.2.6 Enforcement. The power to enforce the provisions of the Declaration, these Bylaws, Rules and Regulations of the Association or other agreements of the Association.

5.2.7 Delegation of Powers. The power to delegate powers in accordance with the Governing Documents of the Association.

5.2.8 Rules and Regulations. The power to adopt such rules and regulations with respect to the interpretation and implementation of the Declaration, use of Common Area, and use of any property within the Development including Dwelling Units and to levy fines and penalties for infractions and violations thereof; provided, however, that such rules and regulations shall be enforceable only to the extent that they are consistent with the Declaration, Articles and Bylaws.

5.2.9 Emergency Powers. The right to exercise emergency powers when ever there is an emergency or catastrophic event which would impact life and or property.

5.3 Qualification of Directors. The Director must be a natural person 18 years of age or over and an Owner of a Lot within the Development. A Director may serve if the Director owns a Lot in the Development as the trustee for a living trust.

5.4 Number of Directors. The affairs of the Association shall be managed by a Board of five (5) Directors, who shall be Members of the Association.

5.5 Term of Office of Directors and Elections. The Board of Directors shall be elected annually at the Annual Meeting of Members for the term of one year.

5.6 Nominating Committee. Nominations for election to the Board of Directors shall be made by the 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 after each annual meeting of the Members, to serve after the Annual Meeting until the close of the next 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 shall be made from among the Members.

5.7 Removal of Director By the Members. At any meeting of the Members, the notice of which indicates such purpose, any or all of the Directors may be removed, with or without cause, by the affirmative vote of Members holding a majority of the voting interest of all Members; and a successor may be then and there elected to fill the vacancy thus created.

5.8 Resignation of Directors. Any Director may resign at any time by giving written notice to the President, to the Secretary, or to the Board of Directors stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective. The Association may deliver to the Utah Department of Commerce, Division of Corporations and Commercial Code a statement setting forth: (a) that person's name; (b) the name of the Association; (c) information sufficient to identify the report or other documents in which the person is named as a Director or Officer or a statement that the person did not hold the position for which the person was named in the corporate report or other document.

5.9 Vacancies in the Board of Directors. Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office. A directorship to be filled by reason of an increase in the number of Directors shall be filled only by the vote of the Members. Should any vacancy of the Board of Directors remain unfilled for a period of two (2) months, the Members may, at a Special Meeting of the Members called for that purpose, elect a Director to fill such vacancy by majority of the votes with Members present at such meeting, or represented by proxy or ballot, are entitled to cast.

5.10 Appointment of Committees. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees which shall consist of one (1) or more Directors and which, unless otherwise provided in such resolution, shall have and may exercise the authority to make recommendations (but not final decisions) to the Board of Directors in the management of the Association.

5.11 General Provisions Applicable to Committees. The designation and appointment of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him by the Governing Documents.

ARTICLE VI

MEETING OF DIRECTORS

6.1 Place of Directors' Meetings. Meeting of the Board of Directors shall be held at the principal office of the Association or at such other place, within or convenient to the Association, as may be fixed by the Board of Directors and specified in the notice of the meeting.

6.2 Annual Meeting of Directors. At the conclusion of the Members' Annual Meeting the newly elected Directors will meet to elect new Officers, to appoint or retain new committees for the coming year, to report on the annual finances and business for the year, and to transact such other business as may properly come before the meeting.

6.3 Other Regular Meetings of Directors. The Board of Directors' may hold other regular meetings and may, by resolution, establish in advance the times and places for such regular meetings. No prior notice of any regular meeting need be given after establishment of the time, and place thereof by such resolution.

6.4 Special Meetings of Directors. Special Meetings of the Board of Directors shall be held when called by the President of the Association or by any one Director.

6.5 Notice of Directors' Meetings. The notice of any Directors' meeting for which notification is required shall be delivered not less than three (3) days and more than thirty (30) days before the date in which the meeting will be held. This notice will be provided by mail, fax, telephone or personally.

6.6 Proxies. For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal a Director may be considered to be present at a meeting and to vote if the Director has granted a signed written proxy: (a) to another Director who is present at the meeting; (b) and authorizing the other Director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as provided in this Section 6.6 and as permitted by this Section 6.11, Directors may not vote or otherwise act by proxy.

6.7 Telecommunications. The Board of Directors may permit any Director to participate in a Regular or Special Meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may hear each other during the meeting. A Director so participating in such a meeting is considered to be present in person at the meeting.

6.8 Quorum of Directors. A majority of the number of Directors fixed in these Bylaws shall constitute a quorum for the transaction of business. For the purpose of determining the presence of a quorum, Directors will be counted if represented in person or by proxy, if applicable.

6.9 Vote Required at Directors' Meeting. At any meeting the Board of Directors, if a quorum is present, a majority of votes present in person or by proxy, if applicable and entitled to be cast on a matter shall be necessary for the adoption of the matter.

6.10 Officers at Meetings. The President shall act as chairman at all Meetings. The Secretary shall record the proceedings of the meeting.

6.11 Action of Directors Without a Meeting. Any action required to be taken or which may be taken at a meeting of the Board of Directors may be taken without a meeting and without prior notice if a consent in writing, setting forth the action to be taken, shall be signed by all of the Directors. Any action taken under this Section 6.11 is not effective unless all written consents are received within sixty (60) day period and have not been revoked.

ARTICLE VII

OFFICERS

7.1 Officers, Employees and Agents. The officers of the Association shall be natural persons 18 years of age or over and shall consist of a President, a Secretary, a Treasurer, and such other Officers, assistant Officers, employees, and agents as may be deemed necessary by the Board of Directors. Officers other than the President need not be Directors. The same person may simultaneously hold more than one office.

7.2 Appointment and Term of Office of Officers. The Officers shall be appointed by the Board of Directors and shall hold office, subject to the pleasure of the Board of Directors, until the Board of Directors deem it appropriate to release them from their positions or until their successors are appointed, unless the Officer resigns, or is removed earlier.

7.3 Resignation and Removal of Officers. An Officer may resign at any time by giving written notice of resignation to the Association. A resignation of an Officer is effective when the notice is received by the Association unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may: (a) (i) permit the Officer to remain in office until the effective date; and (ii) fill the pending vacancy before the effective date if the successor does not take office until the effective date; or (b) (i) remove the Officer at any time before the effective date; and (ii) fill the vacancy created by the removal. The Board of Directors may remove any Officer at any time with or without cause. An Officer who resigns, is removed, or whose appointment has expired may file a statement in the same form as provided in Section 5.8.

- 7.4 **Vacancies in Officers.** Any vacancy occurring in any position as an Officer may be filled by the Board of Directors. An Officer appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.
- 7.5 **President.** The President shall be a Member of the Board of Directors and shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall direct, supervise, coordinate and have general control over the affairs of the Association. The President shall preside at all meetings of the Board of Directors and the Members of the Association.
- 7.6 **Vice President.** The Vice President, may act in place of the President in case of his death, absence or inability to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board of Directors or by the President.
- 7.7 **Secretary.** The Secretary shall be the custodian of the records and the seal, if any, of the Association and shall affix the seal to all documents requiring the same; shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law and that the books, reports and other documents and records of the Association set forth in Section 9.3 are properly kept and filed; shall take or cause to be taken and shall keep minutes of the meetings of Members and of the Board of Directors and of committees of the Board of Directors, shall keep at the principal office of the Association a record of the names and addresses of the Members.
- 7.8 **Treasurer.** The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association; shall deposit all such funds in the name of the Association in such depositories as shall be designated by the Board of Directors; shall keep correct and complete financial records and books of account and records of financial transactions and condition of the Association and shall submit such reports thereof as the Board of Directors may, from time to time, require; shall arrange for the annual report required under Section 9.3 of the Bylaws; and, in general, shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him by the Board of Directors or by the President. The Board of Directors may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his death, absence or inability to act. The duties of the Treasurer may be delegated to a property management company.
- 7.9 **Bonds.** The Association shall require and pay for fidelity bonds covering Directors or other persons handling funds of the Association as required in the Declaration.

ARTICLE VIII

INDEMNIFICATION OF OFFICERS AND AGENTS

8.1 **Right of Indemnification.** The Association shall indemnify any Director, Officer, employee, fiduciary and agent (including without limitation the property manager) to the fullest extent allowed under the act.

8.2 **Authority to Insure.** The Association may purchase and maintain liability insurance on behalf of any Director, Officer, employee, fiduciary and agent against any liability asserted against him and incurred by him in such capacity or arising out of his status as such, including liabilities for which he might not be entitled to indemnification hereunder.

ARTICLE IX

MISCELLANEOUS

9.1 **Amendment/Conflict.** The Bylaws may be amended, at any Regular, Annual, or Special Meeting of the Board of Directors, by a vote of the majority of the Board of Directors. If the Amendment would result in a change of the rights, privileges, preferences, restrictions, or conditions of the voting Membership it will be necessary to obtain an affirmative vote of 67% of the Membership to make the change. In case of any conflict between the Declaration and these Bylaws, the Declaration will control.

9.2 **Compensation of Officers, Directors and Members.** No Director shall have the right to receive any compensation from the Association for serving as a Director except for reimbursement of expenses as may be approved by resolution of disinterested Members of the Board of Directors and except otherwise approved by the Members. Officers, agents and employees shall receive such reasonable compensation as may be approved by the Board of Directors. Appointment of a person as an Officer, agent or employee shall not, of itself, create any right to compensation.

9.3 **Books and Records.**

9.3.1 **Permanent Records** The Association shall keep as permanent records: (a) minutes of all meetings of its Members and Board of Directors; (b) a record of all significant actions taken by the Members or Board of Directors without a meeting; (c) a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Association; (d) and a copy of the Declaration, as the same may be amended.

9.3.2 **Accounting Records** The Association shall maintain appropriate accounting records.

9.3.3 **Records of Members** The Association or its agent shall maintain a record of its Members in a form that permits preparation of a list of the name and address of all Members: (a) in alphabetical order, (b) showing the number of votes each Member is entitled to vote.

9.3.4 **Forms of Records** The Association shall maintain its records in written form or in another form capable of conversion into a written form within a reasonable time.

9.3.5 **Records in Principal Office** The Association shall keep a copy of each of the following records at its principal office: (a) its Article of Incorporation; (b) its Declaration; (c) its Bylaws; (d) resolutions adopted by its Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of its Members; (e) the minutes of all Members meetings; (f) records of all significant actions taken by the Members without a meeting; (g) all written communications to Members generally as Members for a period of three years; (h) a list of the names and business or home addresses of its current Directors and Officers; (i) all financial statements prepared for periods ending during the past three (3) years; (j) ballots of elections will be kept for a period of one year.

9.4 **Inspection Records.**

9.4.1 **Record Inspection** A Director or Member is entitled to inspect and copy any of the records of the Association described in Subsection 9.3.5: (a) during regular business hours; (b) at the Association's principal office and; (c) if the Director or Member gives the Association written demand, at least five (5) business days before the date on which the Member wishes to inspect and copy the records.

9.4.2 **Inspect and Copy** In addition to the rights set forth in Subsection 9.4.1, a Director or Member is entitled to inspect and copy any of the other records of the Association: (a) during regular business hours; (b) at a reasonable location specified by the Association; (c) and by giving notice at least five (5) business days before the date on which the Member wishes to inspect and copy the records, if the Director or Member meets the requirements of Subsection 9.4.3 and gives the Association written demand.

9.4.3 **Member Inspection** A Director or Member may inspect and copy the records described in Subsection 9.4.2 only if: (a) the demand is made; (i) in good faith; and (ii) for proper purposes; (b) the Director or Member describes with

reasonable particularity the purpose and the records the Director or Member desires to inspect; (c) and the records that are directly connected with the described purpose.

9.4.4 **Right of Inspection** The right of inspection granted by this Section may not be abolished or limited by the Articles or these Bylaws.

9.4.5 **Ballot Inspection** This Section does not affect: (a) the right of a Director or Member to inspect records related to ballots; (b) the right of a member to inspect records to the same extent as any other litigant if the Member is in litigation with the Association; (c) or the power of the court, independent of this Article, to compel the production of Association records for examination.

9.4.6 **Record Privacy** A Director or Member may not use any information obtained through the inspection or copying of records permitted by Subsection 9.4.2 for purposes other than those set forth in the demand made under Subsection 9.4.3.

9.5 **Scope of Inspection Right** A Director or Member's agent or attorney has the same inspection and copying rights as the Director or Member. The right to copy records under Section 9.4 includes, if reasonable, the right to receive copies made by photographic, xerographic, electronic, or other means. *Except for requests for financial statements, the Association may impose a reasonable charge covering the cost of labor and material for copies of any documents provided to the Director or Member.* The charge may not exceed the estimated cost of production and reproduction of the records. The Association may comply with a Director's or Member's demand to inspect the record of Members under Subsection 9.3.3 by furnishing to the Director or Member a list of Directors or Members that: (a) complies with Subsection 9.3.3; (b) and is compiled no earlier than the date of the Director's or Member's demand. Concerning financial statements, by no later than fifteen (15) days after the day on which the Association receives a written request of any member, the Association shall mail to the Member the following that show Association's most recent annual financial statements, if any; (c) and the Association's most recently published financial statements, if any. Without consent of the Board of Directors, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a Member's interest as a Member.

9.6 **Annual Report**. The Board of Directors shall provide to each Member a written account of the financial data in reasonable detail to reflect the financial status of the Association. This information can be presented to any Member no later than fifteen (15) days after the written request was received for a copy of the last years annual financial report. The information will include: (a) Cash Control Worksheet showing the balances of activity

and account balances; (b) Ten Year Average Cost Report; (c) Revenue and Expenditures for the year; (d) Reserves; (e) Estimated Proposed Budget for the next Year.

9.7 **Statement of Account.** Upon payment of a reasonable fee to be determined by the Association and upon written request of an Owner of a Lot or any person with any right, title or interest in a Lot, the Association shall furnish, within ten (10) days after the receipt of such request, written statement of account setting forth the amount of unpaid assessments, or other amounts, if any, due or accrued and then unpaid with respect to the Lot and the Unit thereon, and the amount of the assessments for the current fiscal period of the Association payable with respect to the Lot and the Unit thereon. Such statement shall, with respect to the party to whom it is issued, be conclusive against the Association and all parties, for all purposes, that are not greater or other amounts were then due or accrued and unpaid and that no other assessments have been levied.

9.8 **Annual Corporation Reports.** The Association shall file with the Division of Corporations and Commerce, within the time prescribed by law, annual corporate reports in such form and containing the information required by law and shall pay the fee for such filing as prescribed by law.

9.9 **Fiscal Year.** The fiscal year of the Association shall be the calendar year, and shall begin on January 1, and end the succeeding December 31. The fiscal year may be changed by the Board of Directors without amending these Bylaws.

9.10 **Seal.** The Board of Directors may adopt a seal which shall have inscribed thereon the name of the Association and the words "SEAL" and "UTAH".

9.11 **Loans to Directors, Officers and Members Prohibited.** No loan shall be made by the Association to its Members, Directors or Officers and any Director, Officer or Member who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

9.12 **Limited Liability.** The Association, the Board of Directors, the Architectural Control Committee, and any agent or employee of any of the same shall not be liable to any person for any actions or for any failure to act in connection with the affairs of the Association if the action taken or failure to act was in good faith and without malice.

9.13 **Minutes and Presumptions Thereunder.** Minutes or any similar record of the meetings of Members of the Board of Directors, when signed by the Secretary or acting Secretary of the meeting, shall be presumed to truthfully evidence the matters set forth therein. A recitation in any such minutes that notice of the meeting was properly given shall be prima facie evidence that the notice was given.

- 9.14 **Checks, Drafts and Documents.** All checks, drafts or other orders for payment of money, or notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons, and in such a manner as, from time to time, shall be determined by resolution of the Board of Directors.
- 9.15 **Execution of Documents.** The Board of Directors, except as these Bylaws otherwise provide, may authorize any Officer or Officer's agent or agents to enter into any contract or execute any instrument in name of and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no Officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.
- 9.16 **Right to Inspect.** Notwithstanding the other provisions of this Article, unless otherwise provided in the Bylaws, a right of a Member to inspect or receive information from the Association applies only to a voting Member of the Association.

ARTICLE X

ENFORCEMENT RIGHTS

10.1 **Enforcement** In the event of an alleged violation by a Member of the Association, the Association shall have the right, upon the majority vote of the Directors to take any one or more of the actions and to pursue one or more remedies permitted under the Associations Documents. The Member has a right to a hearing as stated in these Bylaws prior to action being taken or pursuing remedies, the Association shall give the Member an opportunity to be heard. The remedies set forth and provided by the Governing Documents shall be cumulative and none shall be exclusive. The Member must exhaust all internal remedies of the Association prescribed by the Governing Documents before the Member can resort to litigation for relief to the alleged violation(s). The forgoing limitation pertaining to exhausting administrative remedies shall not apply to alleged nonpayment of any type of assessment or the matters the Association determines in it's discretion will: (a) affect the safety of the Common Area or Facilities or the owners of their property; (b) or will result in irreparable harm to the Association if not quickly remedied. In such cases, the Board of Directors may immediately file suit.

CERTIFICATE OF SECRETARY

I, the undersigned to hereby certify that:

1. I am the duly elected and acting Secretary of Rainbow Ridge Homeowners Association, a Utah nonprofit corporation ("Association"); and
2. The foregoing Second Amended and Restated Bylaws, comprising 16 pages, including this page, constitute the Bylaws of the Association duly adopted at the meeting of the Board of Directors of the Association duly held on January, 14, 2008.

IN WITNESS WHEREOF, I have hereunto subscribed my hand this 16th day of January, 2008
 Secretary Myrle B. Anderson

STATE OF UTAH

COUNTY OF WASHINGTON

On this 16th day of January, 2008, personally appeared before me

Myrle B. Anderson who, being by me duly sworn, did say that she is Secretary of the Rainbow Ridge Homeowners Association and that the within and foregoing instrument was signed in behalf of said Board and she duly acknowledged to me she executed the same.

Anita K. Lindstrom
 Notary Public

