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BYLAWS
OF
ANTHEM AT THE RANCHES
HOMEOWNERS ASSOCIATION, INC.

TABLE OF CONTENTS

	<u>Page Number</u>
ARTICLE I NAME AND LOCATION.....	1
ARTICLE II DEFINITIONS	1
ARTICLE III MEMBERSHIP AND VOTING RIGHTS.....	1
Section 1. Membership and Voting	1
ARTICLE IV MEETING OF MEMBERS.....	2
Section 1. Annual Meetings	2
Section 2. Special Meetings	2
Section 3. Notice of Meetings.....	2
Section 4. Quorum.....	2
Section 5. Location.....	2
Section 6. Manner of Acting.....	3
Section 7. Proxies	3
Section 8. Informal Action by Members.....	3
Section 9. Waivers of Notice.....	3
ARTICLE V BOARD OF TRUSTEES.....	3
Section 1. Number.....	3
Section 2. Term of Office.....	3
Section 3. Removal	4
Section 4. Compensation.....	4
Section 5. Action Taken Without a Meeting	4
ARTICLE VI NOMINATION AND ELECTION OF TRUSTEES.....	4
Section 1. Nomination.....	4
Section 2. Election.....	4
Section 3. Vacancies	4
ARTICLE VII MEETINGS OF TRUSTEES	4
Section 1. Regular Meetings	4
Section 2. Special Meetings	5
Section 3. Quorum.....	5

Section 4. Open Meetings5
 Section 5. Executive Session.....5
 Section 6. Manner of Acting5

ARTICLE VIII POWERS AND DUTIES OF THE TRUSTEES5
 Section 1. Powers6
 Section 2. Non-Liability7
 Section 3. Duties.....7

ARTICLE IX OFFICERS AND THEIR DUTIES8
 Section 1. Enumeration of Offices8
 Section 2. Election of Officers8
 Section 3. Term8
 Section 4. Special Appointments9
 Section 5. Resignation and Removal9
 Section 6. Vacancies9
 Section 7. Multiple Offices9
 Section 8. Duties.....9
 Section 9. Checks and Drafts10
 Section 10. Execution of Contracts and Other Documents10
 Section 11. Compensation.....10

ARTICLE X BOOKS AND RECORDS10

ARTICLE XI INDEMNIFICATION.....10
 Section 1. Indemnification: Third Party Actions10
 Section 2. Indemnification: Association Actions.....11
 Section 3. Determinations11
 Section 4. Advances11
 Section 5. Scope of Indemnification12
 Section 6. Insurance12
 Section 7. Payments and Premiums12

ARTICLE XII FISCAL YEAR12

ARTICLE XIII AMENDMENTS AND INTERPRETATION OF DOCUMENTS12
 Section 1. Amendment.....12
 Section 2. Interpretation13

BYLAWS
OF
ANTHEM AT THE RANCHES
HOMEOWNERS ASSOCIATION, INC.

Pursuant to the provisions of the Utah Non Profit Corporation and Cooperative Association Act, the Board of Trustees of Anthem At the Ranches, Homeowners Association, Inc., a Utah non profit corporation, hereby adopts the following bylaws for such non profit corporation.

ARTICLE I

NAME AND LOCATION

The name of the non profit corporation is Anthem At The Ranches Homeowners Association, Inc. The initial principal office of the corporation shall be located at 4128 East Clubhouse Drive, Eagle Mountain, Utah 84043.

ARTICLE II

DEFINITIONS

All words and phrases defined in the Declaration of Covenants, Conditions and Restrictions for Anthem At The Ranches, dated as of _____, 2003 (the "Declaration"), shall have the same meaning when used in these Bylaws.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership and Voting. The Members of the Association shall be the Owners. The Board shall maintain a list of Owners which shall be updated on a regular basis. Disputes over the membership list shall be resolved by reference to the official records of the Utah County Recorder's Office. At any meeting of the Association, each Owner, including Declarant, shall be entitled to the votes as provided in Section 9.02 of the Declaration. Cumulative voting shall not be allowed.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meetings. The annual meetings of the Association shall be held beginning in 2004 at a place and time as may be designated by written notice by the Board delivered to the Owners not less than ten (10) days before the date fixed for said meeting.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by a majority of a quorum of the Board, or upon receipt of a written request signed by Members representing not less than one-half (1/2) of the total voting power of the Association. "Voting Power" means the total number of votes of Members whose membership at the time the determination of voting power is made has not been suspended in accordance with the provisions of the Declaration. Voting power shall be computed by including all such Members whether or not such Members are present in person at a meeting.

Section 3. Notice of Meetings. Written notice of each meeting of Members shall be given by, or at the direction of, the secretary of the Association or other person authorized to call the meeting, by providing a copy of such notice, at least ten (10) but not more than thirty (30) days before such meeting, to each Member entitled to vote. Such notice shall specify the place, date and hour of the meeting and (1) in the case of a special meeting, the general nature of the business to be undertaken, and (2) in the case of the regular meeting, those matters which the Board, at the time the notice is given, intends to present for action by the Members, but any proper matter may be presented at a regular meeting for such action. The notice of any meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is given to Members. For the purpose of determining Members entitled to notice of or to vote at any meeting of the Members, the Board may designate a record date, which shall be not more than fifty (50) nor less than ten (10) days prior to the meeting, for determining such members. If no such record date is designated, the date on which notice is mailed shall be deemed to be the record date for determining Members entitled to notice of or to vote at any meeting of the Members.

Section 4. Quorum. The presence at the meeting of Members entitled to cast one-half (1/2) of the total voting power of the Association shall constitute a quorum for any action, except as may otherwise be provided in the Articles, the Declaration, or these Bylaws. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum. In the absence of a quorum, the Members entitled to vote at such meeting shall have the power to adjourn the meeting to another time without notice (other than announcement at the meeting). Any adjournment for lack of a quorum shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date.

Section 5. Location. Meetings of Members shall be held at the principal office of the Association or at such other location as may be specified by the Board.

Section 6. Manner of Acting. The affirmative vote of a majority of the voting power of the Association represented at a meeting at which a quorum is present shall be the act of the Members.

Section 7. Proxies. At each meeting of the Members, each Member entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Member himself or by his attorney thereunto duly authorized in writing. If a membership is jointly held, the instrument authorizing a proxy to act must have been executed in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

Section 8. Informal Action by Members. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Members.

Section 9. Waivers of Notice. Any Member may at any time waive any notice required to be given under these Bylaws, or by statute or otherwise. The presence of a Member in person at any meeting of the Members shall be deemed such waiver.

ARTICLE V

BOARD OF TRUSTEES

Section 1. Number. The affairs of the Association shall be managed and governed by a Board of not less than three (3) nor more than seven (7) Trustees, who shall be Members of the Association, except that a partner, employee, officer, or director of any entity that is an Owner, or the beneficial Owners of Lots held in the name of fiduciaries (or the spouses of such persons) shall be eligible to serve as a Trustee.

Section 2. Term of Office. At the first annual meeting of the Association, the Members shall elect not less than three nor more than seven Trustees for a term of one (1) year each, provided that the Members may, by majority vote, determine to provide for staggered terms not to exceed three (3) years. At each annual meeting thereafter the Members shall elect successor Trustees for Trustees whose term has expired. The foregoing provision shall be subject to the voting power provisions of the Declaration relating to Class "B" Members until such time as the Class "B" memberships terminate in accordance with the Declaration.

Section 3. Removal. Except as otherwise provided in the Declaration, Trustees may be removed from the Board, with or without cause, at a meeting of the Members called for such purpose, by a majority of the votes of the Members cast at such meeting. In the event of death, resignation or removal of a Trustee, his successor shall serve for the unexpired term of his predecessor.

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

Section 5. Action Taken Without a Meeting. The Board shall have the right to take any action in the absence of a meeting which it could take at a meeting by obtaining the written consent of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the Board.

ARTICLE VI

NOMINATION AND ELECTION OF TRUSTEES

Section 1. Nomination. Nomination for election to the Board may be made by a nominating committee appointed by the Board prior to the annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the Board, and two or more Members. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies to be filled. Nominations may also be made from the floor at the annual meeting.

Section 2. Election. In accordance with the Declaration, Declarant has appointed the initial Board Members. The first election of the Board shall be conducted at the first annual meeting of the Association.

Section 3. Vacancies. Any vacancy on the Board caused by death, disability, resignation or increase in the number of Trustees may be filled by appointment by a majority of the remaining Trustees or by the sole remaining Trustee. Any vacancy on the Board caused by removal of Trustee shall be filled by election pursuant to section 2 of this Article.

ARTICLE VII

MEETINGS OF TRUSTEES

Section 1. Regular Meetings. Regular meetings of the Board shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of the

Members. Regular meetings shall be held at such places and at such times as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the president of the Association or by any two (2) Trustees other than the president. The notice shall specify the time and place of the meeting but need not specify the nature of any special business to be considered. The notice shall be sent to all Trustees and posted in a prominent place in the Project not less than four (4) days before the scheduled time of the meeting, provided, however, that the notice need not be given to any Trustee who has signed a waiver of notice or consent to holding the meeting. Attendance by a member of the Board at a meeting shall constitute a waiver of notice of such meeting except if a Trustee attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the members of the Board are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3. Quorum. A majority of the number of Trustees then in office shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Trustees present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board, but if less than a quorum is present at a meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice.

Section 4. Open Meetings. Regular and special meetings of the Board shall be open to all Members of the Association; provided, however, that Members who are not Trustees may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

Section 5. Executive Session. The Board may, with the approval of a majority of a quorum of its Trustees, adjourn a meeting and reconvene in closed executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 6. Manner of Acting. The act of a majority of the Trustees present at a meeting of which a quorum is present shall be the act of the Board. Trustees may participate in a meeting through use of conference, telephonic or similar communications equipment, so long as all Trustees participating in such meeting can hear one another.

ARTICLE VIII

POWERS AND DUTIES OF THE TRUSTEES

Section 1. Powers. The Board shall have all the powers as are now or may hereafter be provided by the Act, the Declaration, the Articles, and these Bylaws, including but not limited to the power to:

(A) Adopt, publish and enforce Rules and Regulations governing the use of the Common Areas and any facilities thereon, and the personal conduct thereon of the Members, their employees, guests, invitees and tenants;

(B) After notice and opportunity for hearing by the Board, suspend an Owner's membership in the Association (i) for any period during which any assessment against such Member's Lot or any monetary penalty against an Owner remains unpaid; and (ii) for a period not to exceed thirty (30) days for any infraction of the Rules and Regulations or any violation of or failure to comply with the provisions of the Declaration or these Bylaws;

(C) Enforce and carry out provisions of the Declaration, these Bylaws and the Articles, and exercise all rights of the Association and the Board set forth in the Declaration, these Bylaws and the Articles;

(D) Pay any taxes or assessments which are or could become a lien on the Common Areas or any portion thereof;

(E) Contract for fire and casualty, liability and other insurance;

(F) Incur and pay expenses on behalf of the Association and contract for goods and services for the Common Areas and any other real or personal property for which the Association may be responsible or as to which the Association may have duties and obligations;

(G) Delegate to committees, officers, employees and other agents of the Association reasonable powers to carry out the powers and duties of the Board, provided, however, that the Board shall not delegate the ultimate power to impose discipline against Members;

(H) Prepare and distribute budgets and financial statements of the Association;

(I) Enter upon any Lot, at reasonable hours, after 48 hours notice and with as little inconvenience to the Owners as possible, in connection with any work or thing required or permitted to be performed or done by the Association by these Bylaws, the Declaration or the Rules and Regulations. In the event of emergency threatening injury to persons or property, or reasonable cause to believe there is such an emergency, the right of entry shall be immediate and may be exercised without notice and whether or not the Owner is present. The Association shall repair any damage caused by such entry;

(J) Employ a manager and such other employees as it deems necessary to carry out the powers and duties of the Association;

(K) Sell, transfer and convey the property of the Association; and

(L) Compromise, settle, release and otherwise adjust claims, demands, causes of action and liabilities on behalf of the Association and Owners, as the case may be, provided any such claim, demand, cause of action or liability arises out of or is related to a condition or defect common to all or a majority of the Lots or to the development, design, construction, condition, repair or maintenance of or damage or injury to or defect in the Common Areas or part thereof, and make and receive all payment or other consideration necessary therefor or in connection therewith. For such purposes, the Board shall be, and hereby is, irrevocably appointed attorney-in-fact to act on behalf of all Owners upon such terms and conditions and for such consideration as may be approved by a majority of the Board.

Section 2. Non-Liability. A Trustee of the Board shall not be liable to the Members if he performs the duties of a Trustee, including the duties as a member of any committee of the Board upon which the Trustee may serve, in good faith, in a manner such Trustee believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a Trustee, a Trustee shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared and presented by:

(A) One or more officers or employees of the Association whom the Trustee believes to be reliable and competent in the matters presented;

(B) Counsel, independent accountants or other persons as to matters which the Trustee believes to be within such person's professional or expert competence; or

(C) A committee of the Board on which the Trustee does not serve, as to matters within its designated authority, which committee the Trustee believes to merit confidence; so long as, in any such case, the Trustee acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 3. Duties. The Board shall:

(A) Cause to be kept a complete record of all its acts and corporate affairs;

(B) Supervise the officers, agents and employees of the Association in the proper performance of their duties;

(C) As more fully provided in the Declaration and subject to any limitations contained therein:

(1) Fix the amount of the annual assessment against each Lot at least sixty (60) days in advance of each annual assessment period and, if necessary, revise such annual assessment;

(2) Send written notice of each assessment to every Owner in advance of each annual assessment period, provided that failure to comply with the provisions of this subparagraph shall not invalidate any assessment, lien or obligation to pay such assessment; and

(3) To the extent permitted by law, take appropriate action against any Owner who is delinquent in the payment of any assessment to the Association, which action may include, but is not limited to, commencement of an action against the Owner for payment thereof and/or foreclosure of the lien against the Lot of such Owner;

(D) Issue, or to cause an appropriate officer to issue, upon demand by any person having a legitimate interest, a certificate setting forth whether or not any assessment has been paid, for which certificate a reasonable charge may be made by the Board;

(E) Procure and maintain liability insurance and casualty insurance, as required by the Declaration, worker's compensation insurance, and such additional insurance and endorsements as the Board may deem desirable;

(F) Cause the Common Areas and any other real and personal property for which the Association may be responsible or as to which the Association may have duties and obligations to be kept in a good state of maintenance and repair; and

(G) Pay proper expenses of the Association.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and a vice-president, who shall at all times be members of the Board, 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 following each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board each shall hold office until his successor is elected unless such person sooner resigns, or is removed, or is otherwise disqualified to serve.

Section 4. Special Appointments. The Board may appoint 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 and 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. No person shall simultaneously hold more than two (2) of any of the offices except in the case of special offices created pursuant to Section 4 of this Article IX.

Section 8. Duties. The duties of the officers shall be those usually vested in their respective offices, including the following:

(A) President: The president shall preside at all meetings of the Board and shall see that orders and resolutions of the Board are carried out;

(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 shall exercise and discharge such other duties as may be required of him by the Board; if neither the president nor the vice president is able to act, the Board shall appoint some other director to do so on an interim basis;

(C) Secretary: The secretary, or an assistant secretary elected and authorized by the Board, shall keep minutes of all meetings of the Board and of the Members and shall have custody and charge of the Association's minute books, membership transfer books, and such other books, papers and documents as the Board may prescribe; and

(D) Treasurer: The treasurer, or an assistant treasurer elected or appointed and authorized by the Board, shall be responsible for Association funds and securities and shall keep or supervise the keeping by persons designated by resolution of the Board of books of account of Association receipts and disbursements. The Board may at its option appoint an employee of a management company retained by the Board to the position of assistant treasurer and such person's responsibility may include the issuance of Association checks below a dollar amount determined by the Board.

Section 9. Checks and Drafts. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable by the Association, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board.

Section 10. Execution of Contracts and Other Documents. The Board by resolution may authorize any Trustee, officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no Trustee, officer, agent or employee shall have any power or authority to bind the Association by any contract or agreement or to pledge its credit to render it liable for any purpose or for any amount.

Section 11. Compensation. No compensation shall be paid to the officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the Board in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board before the services are undertaken.

ARTICLE X

BOOKS AND RECORDS

The membership register, books of account and minutes of meetings of the Members, Board and committees of the Board shall be made available for inspection and copying by any Member, any Member's duly appointed representative and any Mortgagee during normal business hours and for a legitimate purpose, at such place or places as the Board may prescribe. The Board shall establish reasonable rules with respect to notice to be given to the custodian of the records by the Member or Mortgagee desiring to make the inspection, hours and days of the week when such an inspection may be made, and payment of the cost of reproducing documents requested by a Member or Mortgagee. The Declaration, the Articles and these Bylaws shall be available for inspection by any Member at the principal office of the Association, where copies may be obtained at reasonable cost. Every Trustee shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association, including the right to make extracts and copies.

ARTICLE XI

INDEMNIFICATION

Section 1. Indemnification: Third Party Actions. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Trustee

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

Section 2. Indemnification: Association Actions. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a Trustee or officer of the Association, or is or was serving at the request of the Association as a trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 3. Determinations. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 1 and 2 above, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith. Any other indemnification hereunder shall be made by the Association only upon a determination that indemnification of the person is proper in the circumstances because he has met the applicable standard of conduct set forth respectively in Sections 1 and 2 above. Such determination shall be made either (i) by the Board of Trustees by a majority vote of disinterested Trustees or (ii) by the Members by the affirmative vote of at least fifty percent (50%) of the voting power of the Members of the Association at any meeting duly called for such purpose.

Section 4. Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in this Article may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Board of Trustees and upon receipt of an undertaking by or on behalf of the person to repay such amount

or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by this Article or otherwise.

Section 5. Scope of Indemnification. The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Association's Articles of Incorporation, Bylaws, agreements, vote of disinterested Members or Trustees, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The indemnification authorized by this Article shall apply to all present and future Trustees, officers, employees, and agents of the Association and shall continue as to such persons who cease to be Trustees, officers, employees, or agents of the Association and shall inure to the benefit of the heirs and personal representatives of all such persons and shall be in addition to all other rights to which such persons may be entitled as a matter of law.

Section 6. Insurance. The Association may purchase and maintain insurance on behalf of any person who was or is a Trustee, officer, employee, or agent or was or is serving at the request of the Association as a trustee, officer, employee, or agent of another corporation, entity, or enterprise (whether for profit or not for profit).

Section 7. Payments and Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute expense of the Association and shall be paid with funds from the Assessments referred to in the Declaration.

ARTICLE XII

FISCAL YEAR

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

ARTICLE XIII

AMENDMENTS AND INTERPRETATION OF DOCUMENTS

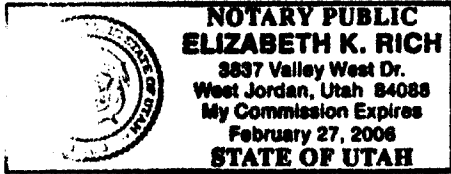
Section 1. Amendment. Any amendment of these Bylaws shall require the vote or written consent of a three-quarters (3/4) majority of the Voting Power of the Association (including that attributable to Class "B" members, if any, pursuant to the Declaration; provided, however, that no such amendment shall change any provision hereof where such provision is contained in or governed by the Articles or the Declaration, unless the applicable provisions of the Articles and/or Declaration are likewise amended as therein required, and provided further that the percentage of the Voting Power of the Association necessary to amend a specific provision of these Bylaws shall

not be less than the prescribed percentage of affirmative votes required for action to be taken under that provision of the Articles or the Declaration.

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

IN WITNESS WHEREOF, we, being all of the Trustees of the Anthem At The Ranches Homeowners Association, Inc. have hereunto set our hands this 9 day of September 2003.

Elizabeth Rich



Troy Dahl
R. Kingston
[Signature]

Lots 1-69, ANTHEM AT THE RANCHES SUBDIVISION PHASE 1, according to the official plat thereof on file and of record in the Utah County Recorder's Office.

Tax Id 34-376-Lot#