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GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
OLIVER W GUSHEE JR
1800 BENEFICIAL LIFE TOWER
SLC UT 84111
BY: NEH, DEPUTY - WI 19 P.

CERTIFICATE

STATE OF UTAH)
 :ss
COUNTY OF SALT LAKE)

This Certificate is made and entered into on this 13 day of April, 2005 by Forest Glen Plat "B&C" Homeowners Association, 8461 Kings Hill Drive, Salt Lake City, UT 84121 (the "Association") with reference to the lands (the "Association Lands") situated in Section 26, Township 2 South, Range 3 East, Salt Lake Base & Meridian, Salt Lake County, Utah, included within that certain Forest Glen Plat "B" Subdivision Plat, dated December 30, 1969, and recorded January 14, 1971 in Book II, page 55 (the "Forest Glen "B" Plat"), other than Lots 22 and 23 of the "B" Plat, and that certain Forest Glen Plat "C" Subdivision Plat, dated January 5, 1970, and recorded June 9, 1970, in Book HH at page 79 (the "Forest Glen "C" Plat"), other than Lots 41, 42, 43 and 44 of the "C" Plat, in the official records of the Salt Lake County Recorder. The Forest Glen "B" Plat and the Forest Glen "C" Plat are referred to as the "Plats" and the projects shown on the Plats are collectively referred to as the "Subdivision." The lots affected by this Certificate are legally described as: Lots 1 through 21 and Lots 24, 25 and 26 of Forest Glen Plat "B", excluding Lots 22 and 23 of the "B" Plat; and Lots 1 through 10, 10A and 10B, 11 through 40 and 45 through 52 of Forest Glen Plat "C", excluding Lots 41, 42, 43 and 44 of the "C" Plat.

The undersigned, Steven W. Sanders, certifies that he is the President of the Association, and hereby further certifies to the following:

1. The Plats contemplate the development and maintenance of private roads benefiting all affected lot owners, and the Subdivision has been developed and improved with private culinary water facilities that are owned and operated by the Association.

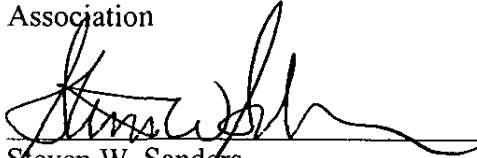
2. The Association is a successor in interest to Forest Glen "B&C," a Utah non-profit corporation, as the association of owners within the Subdivision. The Association and its predecessor have consistently assessed all of the affected lots in the Subdivision for road maintenance and repair, as well as for the costs of operation, repair and maintenance of the water system servicing these lots. The Association is an "association" as defined by the provisions of the Community Association Act, Utah Code Annotated, Section 57-8a-101, et seq. Specifically, each owner of the affected lots within the Subdivision is a member of the Association by reason of the ownership of residential lots and each such member is obligated to pay for certain costs and expenses, including maintenance costs, insurance premiums and the costs of improving private roads on real property not owned by a member.

3. The Association is governed by "governing documents" within the meaning of the Community Association Act, including the Plats, Articles of Incorporation of the Association, Bylaws of the Association, a true and correct copy of which is attached hereto as Exhibit A, a Declaration of Covenants, Protective Covenants for Forest Glen Subdivision, Plats "B" and "C", recorded on September 8, 1970 in Book 2895 at page 570 of the official records of the Salt Lake County Recorder, and certain rules of the Association as such rules may be adopted or modified

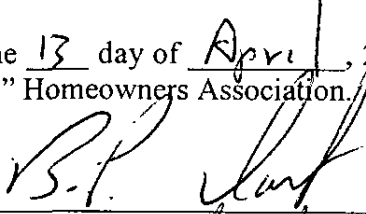
from time to time. The provisions of the governing documents may be modified by the Association from time to time in accordance with the provisions of each of the governing documents and applicable state law. The governing documents include the right of the Association to make it the obligation of each lot owner within the Subdivision to pay assessments.


Witness my hand this 13 day of APRIL, 2005.

Forest Glen Plat "B&C" Homeowners Association

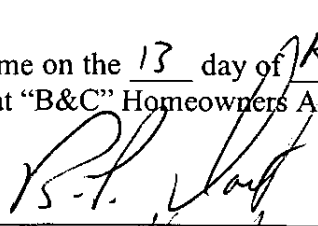

Steven W. Sanders

SUBSCRIBED AND SWORN TO before me on the 13 day of April, 2005, by Steven W. Sanders, President of the Forest Glen Plat "B&C" Homeowners Association.


Notary Public
Residing at Salt Lake City UT


Notary Public
B.L. DART
370 East South Temple, #400
Salt Lake City, Utah 84111
My Commission Expires
August 28, 2005
Commission expires:
8/29/05

The foregoing instrument was acknowledged before me on the 13 day of April, 2005, by Steven W. Sanders, President of the Forest Glen Plat "B&C" Homeowners Association.


Notary Public
Residing at Salt Lake City UT



Notary Public
B.L. DART
370 East South Temple, #400
Salt Lake City, Utah 84111
My Commission Expires
August 28, 2005
State of Utah
My-Commission expires:
8/29/05

EXHIBIT A

**Bylaws dated October 26, 2004, of Forest Glen
Plat "B&C" Homeowners Association attached to
and made a part of Certificate of Steven W.
Sanders, President of the Forest Glen Plat "B&C"
Homeowners Association dated April 13, 2005.**

BYLAWS

OF

FOREST GLEN PLAT "B&C" HOMEOWNERS ASSOCIATION

A Utah Nonprofit Corporation

October 2004

BYLAWS OF
FOREST GLEN PLAT "B&C" HOMEOWNERS ASSOCIATION

ARTICLE 1.

COMPOSITION OF ASSOCIATION

Section 1.1 Name and Location. These are the Bylaws of the FOREST GLEN PLAT "B&C" HOMEOWNERS ASSOCIATION (the "Association"). The Forest Glen Subdivision, Plat "B&C" (collectively, the "Subdivision") is located in Salt Lake County, Utah, and is subject to certain covenants, conditions and restrictions (the "Covenants and Restrictions") of record in the office of the Salt Lake County Recorder. All legally subdivided building lots within the Subdivision are set forth in the official plats of record in the office of the County Recorder for Salt Lake County, State of Utah ("Lots").

Section 1.2 Principal Office. The principal office of the Association shall be located at 8461 Kings Hill Drive, Salt Lake City, Utah 84121, or such other address as may be designated by the Board of Directors from time to time.

Section 1.3 Purposes. The Association is formed under the provisions of the Utah Revised Nonprofit Corporation Act, Utah Code Ann. §§ 16-6a-101, et seq. (as amended, supplemented or superceded from time to time, the "Revised Nonprofit Corporation Act") to serve as the means through which the Members may take action with regard to the administration, management and operation of the Subdivision.

Section 1.4 Applicability of Bylaws and Rules. The Association, all Members, and all persons using any of the Lots or the Subdivision property shall be subject to these Bylaws and to Rules and Procedures adopted by the Board of Directors.

Section 1.5 Composition of Association. The Association shall be composed of all the Lot Owners within the Subdivision (the "Members"), including the Association itself, to the extent it owns any Lot or Lots of the Subdivision.

Section 1.6 Incorporation. The Association has been or will be incorporated under the Revised Nonprofit Corporation Act, and these Bylaws shall constitute the Bylaws of the incorporated association.

ARTICLE 2.

MEETINGS OF ASSOCIATION

Section 2.1 Place of Meetings. The Association shall hold meetings at such suitable place in Salt Lake County convenient to the Members, as may be designated by the Board of Directors from time to time.

Section 2.2 Annual Meetings. The annual meetings of the Association shall be held in the month of May at such hour and on such date as the president may designate, or if the president should fail to designate such date by the first day of May, then on the first Saturday in June at 9:00 a.m. (Mountain Daylight Time) at the entrance gate to the Subdivision. The annual meetings shall be for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

Section 2.3 Special Meetings Special meetings of the Association may be called by the president or secretary or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from at least fifty percent (50%) of the Members stating the purpose of the meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

Section 2.4 Notice of Meetings. Notice of all meetings of the Association stating the time and place and the objects for which the meeting is being called shall be given by the president or secretary. Such notice shall be in writing and mailed to each Lot Owner at his address as it appears on the books of the Association not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived by any Lot Owner before or after meetings. When a meeting is adjourned for less than 30 days, no notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

Section 2.5 Voting. Each Member shall have one vote for each legally subdivided building lot within the Subdivision owned by said Member, as set forth in the official plats of record in the office of the County Recorder for Salt Lake County, State of Utah, provided said Member is current in the payment of dues and fees assessed by the Association. No vote shall be cast on behalf of any Lot which has been acquired by or on behalf of the Association.

Section 2.6 Proxies. A vote may be cast in person or by proxy. A proxy given by a Member to any person who represents such Member at meetings of the Association shall be in writing and signed by such Member, and shall be filed with the secretary, at any time prior to the meeting. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy, and every proxy shall automatically cease upon sale of the Lot by its Member. A Member may pledge or assign such Member's voting rights to a Mortgagee. In such a case, the Mortgagee or its designated representative shall be entitled to receive all notices to which the Member is entitled under these Bylaws and to exercise the Member's voting rights

from and after the time that the Mortgagee shall give written notice of such pledge or assignment to the Board of Directors. Any first Mortgagee may designate a representative to attend meetings of the Association.

Section 2.7 Fiduciaries and Joint Owners. An executor, administrator, guardian or trustee may vote, in person or by proxy, at any meeting of the Association with respect to any Lot owned or held in such capacity, whether or not the same shall have been transferred to his or her name; provided, that such person shall satisfy the secretary that he or she is the executor, administrator, guardian or trustee, holding such Lot in such capacity. Whenever any Lot is owned by two or more persons jointly, according to the records of the Association, the vote or proxy of such Lot may be exercised by any one of the owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of such Lot shall be disregarded completely in determining the proportion of votes given with respect to such matter.

Section 2.8 Landlords and Contract Vendors. Unless otherwise expressly stated in the written rental agreement or lease, all voting rights allocated to a Lot shall be exercised by the owner. Unless otherwise stated in the contract, all voting rights allocated to a Lot shall be exercised by the vendee of any recorded land sale contract on the Lot.

Section 2.9 Quorum of Members. At any meeting of the Association, Members holding fifty percent (50%) of the voting rights, present in person or by proxy, shall constitute a quorum. The subsequent joinder of a Member in the action taken at a meeting by signing and concurring in the minutes of the meeting shall constitute the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a Member or Members. If any meeting of Members cannot be organized because of a lack of quorum, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

Section 2.10 Majority Vote. The vote of the holders of more than fifty percent (50%) of the voting rights, present in person or by proxy at a meeting at which a quorum is constituted, shall be binding upon all Members for all purposes except where a higher percentage vote is required by law, by the Articles of Incorporation (the "Articles") or by these Bylaws.

Section 2.11 Order of Business. The order of business at annual meetings of the Association shall be:

- (a) Calling of the roll and certifying of proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;

- (e) Reports of committees, if any;
- (f) Unfinished business;
- (g) New business and business from Members; and
- (h) Adjournment.

ARTICLE 3.

BOARD OF DIRECTORS

Section 3.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of nine (9) persons, as provided in Sections 3.2 and 3.3 of this Article. All directors shall be owners or co-owners of Lots of the Subdivision. For purposes of this section, the officers of any corporation, the managers of any limited liability company, and the partners of any partnership shall be considered co-owners of any Lots owned by such corporation, limited liability company or partnership.

Section 3.2 Initial Directors. The interim board of nine (9) directors designated in the Articles of Incorporation of the Association (“**Initial Directors**”) shall serve until their successors have been elected by the Members as provided below.

Section 3.3 Election and Term of Office. At the first annual meeting or an earlier special meeting called for such purpose, the Initial Directors shall resign and nine (9) directors shall be elected by vote of the Members as provided in these Bylaws, three to serve until the next annual meeting, three to serve until the second annual meeting after the election, and two to serve until the third annual meeting after the election. Thereafter, at the expiration of the initial term of office of each respective director, his or her successor shall be elected to serve for a term of three years. Directors shall hold office until their respective successors have been elected by the Members. Election shall be by plurality.

Section 3.4 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, or by a sole remaining director. Each person so elected shall be a director until a successor is elected to fill the unexpired term at the next annual meeting of the Association or the next special meeting of the Association called for that purpose.

Section 3.5 Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by a majority vote (in person or by proxy) of the Members, and a successor shall be elected at that meeting to fill the vacancy thus created. The notice of any such meeting shall state that such removal is to be considered, and any director whose removal has been proposed shall be given an opportunity to be heard at that meeting.

Section 3.6 Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association, except such powers and duties as by law or by these Bylaws may not be delegated to the Board of Directors by the Members. The powers and duties to be exercised by the Board of Directors shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep, maintenance, repair and replacement of the common areas in the Subdivision and Association personal property.
- (b) Determination of the amounts required for operation, maintenance and other affairs of the Association, and the making of such expenditures.
- (c) Adoption of a budget for the Association, and assessment and collection of the Common Expenses through the Association.
- (d) Employment and dismissal of such personnel as necessary for the efficient maintenance, upkeep and repair of the common areas of the Subdivision and Association personal property.
- (e) Employment of legal, accounting or other personnel for reasonable compensation to perform such services as may be required for the proper administration of the Association.
- (f) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.
- (g) Preparing or causing to be prepared and filed any required income tax returns or forms for the Association.
- (h) Obtaining insurance or bonds pursuant to the provisions of these Bylaws.
- (i) Making additions and improvements to, or alterations of, the common areas in the Subdivision.
- (j) Designating one or more committees which, to the extent provided in the resolution designating the committee, shall have the powers of the Board of Directors in the management of the affairs of the Association. At least one member of each committee shall be a member of the Board of Directors.
- (k) Enforcement by legal means of the provisions of the Revised Nonprofit Corporation Act, the Covenants and Restrictions, these Bylaws and any Rules and Procedures adopted by the Board of Directors.
- (l) The filing of an Annual Report and any amendment in accordance with Utah law.

(m) The filing of any water related reports with regard to water and related distribution systems serving the Subdivision.

Section 3.7 Managing Agent or Manager. With the approval of Members having enacted a resolution by a vote of sixty-seven percent (67%), on behalf of the Association, the Board of Directors may employ or contract for a managing agent or a manager at a compensation to be established by the Board of Directors. Any such management agreement shall be terminable by the Association upon not more than 90 days written notice thereof. The Board of Directors may delegate to the managing agent or manager such duties and powers as the Board of Directors may authorize. In the absence of such appointment, the Board of Directors shall act as manager.

Section 3.8 Contracts Entered into by Initial Board. Notwithstanding any other provision of these Bylaws, any leases or contracts (including management contracts, service contracts and employment contracts) entered into by the initial board on behalf of the Association shall have a term not in excess of three years. In addition, any such lease or contract shall provide that it may be terminated without cause or penalty by the Association or Board of Directors upon not less than 30 days' notice to the other party.

Section 3.9 Regular and Special Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Special meetings of the Board of Directors may be called by the president and must be called by the secretary at the written request of at least two directors. Notice of any special meeting shall be given to each director, personally or by mail, telephone, telefax or telegraph at least seven (7) days prior to the day named for such meeting, and shall state the time, place and purpose of such meeting.

Section 3.10 Waiver of Notice. Any director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall constitute a waiver of notice by such director, except where the director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all of the directors are present at any meeting of the Board, no notice to directors shall be required and any business may be transacted at such meeting.

Section 3.11 Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors less than a quorum should be present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted; provided that all directors shall receive notice of the adjournment and scheduled reconvening in accordance with Section 3.9.

Section 3.12 Compensation. No director shall receive any compensation from the Association for acting as such.

Section 3.13 Liability and Indemnification of Directors and Officers. A Member of the Board of Directors or an officer of the Association shall not be liable to the Association or any member thereof for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties, except for acts of gross negligence or intentional misconduct. In the event any member of the Board of Directors or any officer of the Association is made a party to any proceeding because the individual is or was a director or officer of the Association, the Association shall indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

Section 3.14 Insurance. To the extent available to the Association, the Board of Directors shall obtain the insurance and fidelity bonds required in Article 8 of these Bylaws. In addition, the Board of Directors, in its discretion, may obtain such other insurance as it deems necessary to protect the interests of the Association or Members. The Board of Directors shall conduct an annual insurance review which, if appropriate, shall include an appraisal of all improvements contained in the Subdivision.

ARTICLE 4.

OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be the president, the vice-president, the secretary and the treasurer, all of whom shall be elected by and from the Board of Directors of the Association. The directors may also appoint additional vice presidents, an assistant treasurer, an assistant secretary, and such other officers as in their judgment may be necessary. The President, Vice-President, Secretary and Treasurer shall be members of the Board of Directors, but the other officers need not be directors, but must be Members.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually, by the Board of Directors at the organization meeting of each new board and shall hold office at the pleasure of the board. If any office shall become vacant, the Board of Directors shall elect a successor to fill the unexpired term at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4.3 Removal of Officers. Upon the affirmative vote of a majority of the directors, any officer may be removed either with or without cause, and a successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4.4 President. The president shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors. The president shall have all of the general powers and duties which are usually vested

in the chief executive officer of an association, including but not limited to the power to appoint committees from among the Members from time to time as the president may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4.5 Vice-President. The Vice-President shall have the same powers as are vested in the President, but shall not exercise said powers unless acting under the delegation, authority or direction of the President, or unless acting in the event of the President's absence, death, incapacity, or refusal to act. The Vice-President shall have such additional prerogatives and powers as are not inconsistent with the powers conferred upon the President and usually pertain to the office of Vice-President.

Section 4.6 Secretary. The secretary shall keep the minutes of all proceedings of the Board of Directors and the minutes of all meetings of the Association. He or she shall attend to the giving and serving of all notices to the Members and directors and other notices required by law. The secretary shall keep the records of the Association, except for those of the treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the directors or the president.

Section 4.7 Treasurer. The treasurer shall have the responsibility for Association funds and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of required financial statements. He or she shall be responsible for the deposit of all moneys and other valuable effects in such depositories as may from time to time be designated by the Board of Directors, and shall disburse funds of the Association upon properly authorized checks or vouchers. The treasurer shall perform all other duties incident to the office of treasurer of an association and such other duties as may be assigned to him or her by the Board of Directors.

Section 4.8 Execution of Instruments. All agreements, contracts, deeds, leases and other instruments of the Association, except checks, shall be executed by such person or persons as may be designated by general or special resolution of the Board of Directors and, in the absence of any general or special resolution applicable to any such instrument, then such instrument shall be signed by the president. All checks shall be signed by the treasurer, or in the absence or disability of the treasurer, by the president or any duly elected assistant treasurer.

Section 4.9 Compensation of Officers. No officer who is a member of the Board of Directors shall receive any compensation from the Association for acting as an officer.

ARTICLE 5.

BUDGET, EXPENSES AND ASSESSMENTS

Section 5.1 Budget. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association, estimate the Common Expenses expected to be incurred, less any previous overassessment, and assess the Common Expenses to each Member. The budget shall provide for an adequate reserve fund for maintenance, repairs and replacement

of those Common Areas and personal property and equipment of the Association which must be replaced on a periodic basis.

Section 5.2 Determination of Common Expenses. Common Expenses shall include:

- (a) Expenses of administration.
- (b) Expenses of maintenance, repair or replacement of common areas in the Subdivision and personal property and equipment of the Association or other portions of the Subdivision required to be maintained by the Association pursuant to the Articles or these Bylaws, if any.
- (c) Cost of insurance or bonds obtained in accordance with these Bylaws.
- (d) A general operating reserve, including an amount sufficient to cover the deductible under the property damage insurance policy.
- (e) Reserve for replacements and deferred maintenance.
- (f) Any deficit in Common Expenses for any prior period.
- (g) Utilities for the Common Areas and other utilities with a common meter or commonly billed, such as electricity or trash collection.
- (h) Assessments payable to any persons or entities for water made available to the Lots.
- (i) Any other items properly chargeable as an expense of the Association.

Section 5.3 Obligation to Pay Common Expenses. All Members shall be obligated to pay Common Expenses assessed to them by the Board of Directors on behalf of the Association pursuant to these Bylaws. Assessments may not be waived due to limited or nonuse of the Common Areas or of a Member's Lot, and no Member may offset amounts owing or claimed to be owing by the Association to the Member against such Member's obligation to pay assessments. The Board of Directors, on behalf of the Association shall assess the Common Expenses against the Members from time to time and shall take prompt action as they deem advisable to collect from a Member any Common Expense due which remains unpaid for more than sixty (60) days from the due date for its payment. The board may elect to round assessments to the nearest dollar.

Section 5.4 Initial Capital. Each Member makes an initial contribution to the capital of the Association by directing that all assets of the former dissolved Forest Glen Plat "B&C" be contributed to the Association. Such initial contribution shall be in addition to the regular annual Common Expense assessment and shall not be considered as an advance payment of regular assessments.

Section 5.5 Commencement of Regular Expense Assessments. Regular annual assessments for Common Expenses shall commence within twelve (12) months after incorporation of the Association and the Board of Directors shall hold a special meeting within such period to determine the amount of such assessments and make a recommendation of such amount to the Members.

Section 5.6 Commencement of Assessment for Replacement Reserves. Regular annual assessments for replacement reserves as described in Section 5.9 shall commence upon recommendation by the Board of Directors of the amounts of such assessments and approval of such amounts by a majority of the Members at a duly convened annual meeting.

Section 5.7 Special Assessments for Capital Improvements. In the case of any duly authorized capital improvement to the Common Areas or other proper association expenditures, the Board of Directors may by resolution recommend separate assessments for the same, which must be approved by a vote of not less than sixty-seven percent (67%) of Members at a duly convened annual or special meeting of the Members, and the proceeds of which shall be used only for the specific capital improvements or expenditures described in the resolution.

Section 5.8 Other Special or Extraordinary Assessments. In the event the Board of Directors determines that the assessments established upon adoption of the budget as provided in Section 5.1 above will be insufficient to pay the Common Expenses, or the Board of Directors determines that additional funds will be needed to meet unexpected or unbudgeted Common Expenses that will be required prior to the next annual meeting of the Association, the Board may levy an additional special or extraordinary assessment not to exceed one hundred percent (100%) of the last regular annual assessment. Such assessment may be payable in installments over a specified period, in a lump sum, or in a lump sum with option to pay in installments with interest, as determined by the Board of Directors.

Section 5.9 Replacement Reserves. The Board of Directors, on behalf of the Association, shall establish a reserve account for replacement of those common areas and personal property and equipment of the Association or the purchase of water rights for the entire Subdivision, all or a part of which will normally require replacement in more than three and less than 20 years. The amount assessed shall take into account the estimated remaining life of the items for which the reserve is created and the current replacement cost of such items. The reserve account shall be established in the name of the Association and shall be adjusted at regular intervals to recognize changes in current replacement costs over time. The reserve account shall be used only for replacement of common areas and personal property or equipment of the Association or the purchase of water rights for the entire Subdivision and, although to be funded from the regular annual assessments, shall be kept separate from assessments for maintenance and operating expenses. The Board of Directors may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet other temporary expenses of the Association which will later be paid from special assessments or maintenance fees. Nothing in this section shall prohibit prudent investment of the reserve account. Following the second year after the date on which assessments for the reserve account are first made against the Lots, future assessments for the reserve account may be reduced,

eliminated or increased by an affirmative vote of not less than sixty seven percent (67%) of all voting rights in the Subdivision. Assessments paid into the reserve account are the property of the Association and are not refundable to sellers of Lots.

Section 5.10 Default in Payment of Assessments. In the event of default by any Member in paying any assessments to the Association, including assessed Common Expenses and any other charge imposed or levied by the Association pursuant to the provisions of these Bylaws or the Revised Nonprofit Corporation Act, such Lot Owner shall be precluded from voting in any vote before the Members. If any assessment is not paid within thirty (30) days of the date due, the Association shall be authorized to pursue all available legal remedies for collection of the same.

Section 5.11 Statement of Assessments. The Board of Directors shall advise each Member in writing of the amount of assessments payable by such Member, and furnish copies of each budget on which such assessments are based to all Members. The Board of Directors shall promptly provide any Member who makes a request in writing with a written statement of the Member's unpaid assessments.

ARTICLE 6.

RECORDS AND AUDITS

Section 6.1 General Records. The Board of Directors and the managing agent or manager, if any, shall keep detailed records of the actions of the Board of Directors and the managing agent or manager, minutes of the meetings of the Board of Directors and minutes of the meetings of the Association. The Board of Directors shall maintain copies of the rules, regulations, policies and procedures adopted by the Association, Board of Directors and the manager. The Board of Directors shall maintain a list of Owners entitled to vote at meetings of the Association and a list of all Mortgagees of Lots entitled to use and who have given the Association written notice of such Mortgagee's right and intention to vote.

Section 6.2 Financial Records. The Board of Directors or its designee shall keep financial records sufficient for proper accounting purposes.

Section 6.3 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Lot. Such account shall designate the name and address of the owner or owners, the amount of each assessment against such Members, the dates and amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments.

Section 6.4 Payment of Invoices. The treasurer shall pay all invoices and similar bills or statements for all budgeted items and for any nonbudgeted items up to \$500 signed by the president, managing agent, manager or other person authorized by the Board of Directors. Any invoices and similar bills or statements for nonbudgeted items in excess of \$1,000 shall require the authorization of the Board of Directors.

Section 6.5 Reports and Audits. An annual financial statement consisting of a balance sheet and income and expense statement for the preceding fiscal year shall be rendered by the Board of Directors to all Members. Sixty-seven percent (67%) of the Members may, at the expense of the Association, obtain an audit or review of the books and records pertaining to the Association and furnish copies thereof to the Members.

Section 6.6 Notice of Sale, Mortgage, Rental or Lease. Immediately upon the sale of any Lot, the Member shall promptly inform the secretary or manager of the name and address of said purchaser.

Section 6.7 Availability of Records. The Association shall make available to Members for inspection, current copies of the Articles, Bylaws, other rules and procedures concerning the Subdivision, amendments or supplements to such documents, and the books, records, financial statements and current operating budget of the Association. Upon written request, the Association shall make such documents, information and records available to such persons for duplication during reasonable hours. The Association may charge a reasonable fee for furnishing copies of such documents, information or records.

ARTICLE 7.

RULES

Section 7.1 Rules. The Board of Directors may adopt Rules and Procedures governing the conduct of persons on and the operation and use of the common areas in the Subdivision. The Rules and Procedures, which shall not be inconsistent with the Articles, the Covenants and Restrictions, or these Bylaws, may be amended or modified from time to time by the Board of Directors, as it may deem necessary or appropriate in order to assure the continued peaceful and orderly use and enjoyment by the Members of their Lots; provided, that any such modification or amendment of the Rules and Procedures by the Board of Directors must be approved by vote of more than fifty percent (50%) of the voting rights held by Members present, in person or by proxy, at any meeting of Members, the notice of which shall have stated that such modification or revocation of Rules and Procedures will be under consideration. A copy of the Rules and Procedures initially adopted and each amendment, modification or revocation thereof shall be delivered by the secretary promptly to each Member and shall be binding upon all Members and occupants of all Lots from the date of delivery.

Section 7.2 Abatement and Enjoining of Violations. The violation of any provision of the Covenants and Restrictions or these Bylaws, of any rule or regulation adopted pursuant to these Bylaws, or of any decision of the Association made pursuant to such documents, shall give the Board of Directors, acting on behalf of the Association, the right, in addition to any other rights set forth in these Bylaws, to do any or all of the following after giving notice and an opportunity to be heard to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

ARTICLE 8.

INSURANCE

Section 8.1 Types of Insurance. For the benefit of the Association and the Members, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the Common Expense funds, such insurance as the Board of Directors may determine to be advisable for the Association.

Section 8.2 Directors' and Officers' Liability Insurance. The Association may maintain, if available at a reasonable cost, a policy of directors' and officers' liability insurance with coverage in the amount of not less than One Million Dollars (\$1,000,000), subject to a reasonable deductible.

Section 8.3 Insurance by Lot Owners. Each Member shall be responsible for obtaining, at such Member's expense, insurance covering his or her property and against his or her liability.

ARTICLE 9.

AMENDMENTS TO BYLAWS

Section 9.1 How Proposed. Amendments to the Bylaws shall be proposed by either a majority of the Board of Directors or by Members holding fifty percent (50%) of the voting rights or more. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment.

Section 9.2 Adoption. A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the Members and may be approved by the Members at a meeting called for this purpose or by ballot vote. Any resolution must be approved by Members holding sixty-seven percent (67%) of the voting rights.

Section 9.3 Execution. An amendment shall not be effective until certified by the president and secretary of the Association as being adopted in accordance with these Bylaws and the provisions of the Revised Nonprofit Corporation Act.

ARTICLE 10.

MISCELLANEOUS

Section 10.1 Notices. All notices to the Association or to the Board of Directors shall be sent care of the person designated to receive service of process pursuant to the records of the Utah Department of Commerce, which person may be changed from time to time by the Board of Directors, effective upon filing as required by the Revised Nonprofit Corporation Act. All

notices to any Member shall be sent to such address as may have been designated by such Member from time to time, in writing, to the Board of Directors, or, if no address has been designated, then, at the election of the Association, to the address last provided to the Association or on the tax assessment records for the Lot in Salt Lake County.

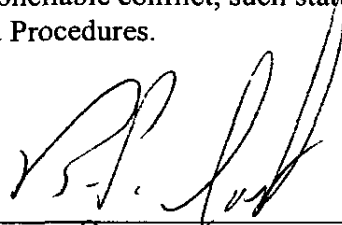
Section 10.2 Waiver. No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 10.3 Action Without a Meeting. Any action which the Revised Nonprofit Corporation Act, the Articles or the Bylaws require or permit the Members or directors to take at a meeting may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Members or directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the Members or directors, shall be filed in the records of minutes of the Association.

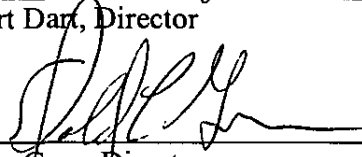
Section 10.4 Invalidity; Number; Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws. As used in these Bylaws, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

Section 10.5 Conflicts. These Bylaws are intended to comply with the Revised Nonprofit Corporation Act. In case of any irreconcilable conflict, such statute and document shall control over these Bylaws or the Rules and Procedures.

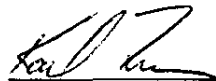
DATED this 26th day of October, 2004.



Bert Dart, Director



Don Gren, Director



Karl Freeman, Director



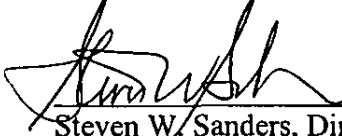
Kay Gushee, Director



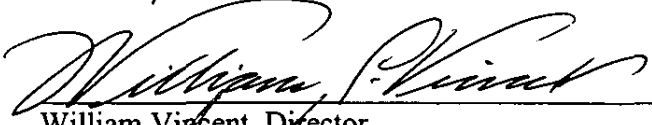
Ross McIntyre, Director



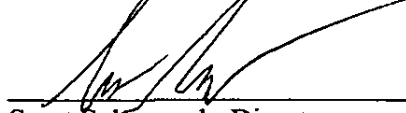
Don Remington, Director



Steven W. Sanders, Director



William Vincent, Director



Scott Schonrock, Director

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