

BYLAWS OF THE HOMES AT DEER
MOUNTAIN HOMEOWNERS
ASSOCIATION, INC.

a Corporation Formed Under the Utah Nonprofit
Corporation and Cooperative Association Act

ARTICLE I PURPOSE
AND APPLICABILITY

1.1. Purpose.

The specific purpose of THE HOMES AT DEER MOUNTAIN HOMEOWNER'S ASSOCIATION, INC., a corporation formed under the Utah Nonprofit Corporation and Cooperative Association Act (the "Corporation"), is to engage in all of the charitable and educational purposes set forth in the Articles of Incorporation including the following:

1.1.1. The Corporation shall engage in the development, rehabilitation, financing, purchasing, leasing, operation, management and construction or other similar activities relating to the condominium homes located at: Units I through 200, inclusive, The Homes at Deer Mountain, a parcel of land lying Within Block Plat , Utah (the "Property").

1.1.2. The Corporation shall do all lawful actions and exercise the powers enumerated in the Utah Nonprofit Corporation and Cooperative Association Act, as it may be amended from time to time (the "Act").

1.1.3. The Corporation is organized exclusively for charitable and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the United State Internal Revenue Code, or the corresponding section of any future tax code.

1.1.4. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its trustees, officers or other persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered, reimburse authorized expenses and to make payments and distributions in furtherance of the purposes set forth herein and as authorized by law for a cooperative association.

1.1.5. No substantial part of the activities of the Corporation shall be the canying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate or public office.

1.1.6. Notwithstanding any other provision of these Bylaws, the Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of the Corporation as set forth herein.

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1. 2. Applicability of Bylaws.

These Bylaws govern, except as otherwise provided by statute, the Declaration of Covenants, Conditions and Restrictions of the Corporation (the "Declaration") or the Corporation's Articles of Incorporation, the management of the business and the conduct of the affairs of the Corporation. In the event of any conflict between the Declaration and these Bylaws, the Declaration shall govern.

ARTICLE II
OFFICE

2. 1. Principal Office.

The governing board of trustees shall fix the location of the principal executive office of the Corporation at any place inside or outside the State of Utah. The initial address of the Corporation's principal executive office shall be 132 South 600 East, Salt Lake City, Utah 84102.

2.2. Change in Location or Number of Offices.

The governing board of trustees may change any office from one location to another or eliminate any office or offices.

ARTICLE III
MEMBERS

3.1. Determination.

The Corporation shall have "members" as that term is defined in the Declaration.

3.2. Voting Rights.

The voting rights of the member shall be as set forth in the Declaration.

3. 3. Place of Meetings.

Meetings of the members shall be held at any place within or without the State of Utah designated by the board of Trustees, or, in the absence of such designation, at the principal executive office of the Corporation.

3. 4. Annual Meetings.

An annual meeting of the members shall be held on the first Saturday of October each year at the hour of 10:00 a.m. If the date scheduled for the annual meeting of members is a legal holiday, then the annual meeting of the members shall be held on the next business day following or within 180 days following the end of the fiscal year of the Corporation at a date and time designated by the board of trustees. At each annual meeting the trustees shall be elected, reports of the affairs of the Corporation shall be considered and any other proper business may be transacted thereat.

3. 5. Special Meetings.

3.5.1. Special meetings of the members may be called by the board of trustees, the Chairman of the Board and the President or by the members upon the request of the holders of memberships entitled to cast not less than twenty-five percent (25%) of the votes at such meeting.

3.5.2. Any request for the calling of a special meeting of the members shall (i) be in writing, (ii) specify the date and time thereof, which date shall be not less than thirty-five (35) nor more than sixty (60) days after receipt of the request, (iii) specify the general nature of the business to be transacted thereat and (iv) be given either personally or by first-class mail, postage prepaid, or other means of written communication to the Chairman of the Board, President, any Vice President or Secretary of the Corporation. The officer receiving a proper request to call a special meeting of the members shall cause notice, to be

given to the members entitled to vote thereat that a meeting will be held at the date and time specified by the person or persons calling the meeting. If notice is not given within 20 days of the receipt of the request, the members making the request may give notice of such meeting so long as the notice given complies with the other provisions of this subsection.

3.5.3. No business may be transacted at a special meeting unless the general nature thereof was stated in the notice of such meeting.

3. 6. Notice of Annual Special or Adjourned Meetings.

3.6.1. Whenever any meeting of the members is to be held, a written notice of such meeting shall be given in the manner described in subdivision 3.6.4. of this Section not less than ten (10) nor more than sixty (60) days before the date thereof to each member entitled to vote thereat. The notice shall state the place, date and hour of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted or (ii) in the case of the annual meeting, those matters which the board of trustees, at the time of the giving of the notice, intends to present for action by the members. The notice of any meeting at which trustees are to be elected shall include the name of any nominee or nominees who, at the time of the notice, management intends to present for election.

3.6.2 Any proper matter may be presented at an annual meeting for action. However, any action to approve (i) a contract or transaction in which a trustee has a direct or indirect financial interest, (ii) an amendment of the Articles of Incorporation, (iii) a reorganization of the Corporation, (iv) a voluntary dissolution of the Corporation, or (v) a distribution in dissolution (other than in accordance with the rights of outstanding preferred shares) may be taken only if the notice of the meeting states the general nature of the matter to be approved.

3.6.3. Notice need not be given of an adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, except that if the adjournment is for more than forty-five (45) days or if after the adjournment a new record date is provided for the adjourned meeting, a notice of the adjourned meeting shall be given to each member of record entitled to vote at that meeting.

3.6.4. Notice of any meeting of the members shall be given personally, by first class mail, or by telegraph or other written communication, addressed to the member at the member's address appearing on the books of the Corporation or given by that member to the Corporation for the purpose of notice; or if no such address appears or is given, at the place where the principal executive office of the Corporation is located or by publication at least once in a newspaper of general circulation in the counties in which the principal executive office and Property are located. Notice shall be deemed to have been given at the time when delivered personally to the recipient, deposited in the mail, delivered to a common carrier for transmission to the recipient or sent by other means of written communication. An affidavit of the mailing or other means of giving notice may be executed by the Secretary, Assistant Secretary or any transfer agent of the Corporation giving the notice and shall be prima facie evidence of the giving of the notice. Such affidavits shall be filed and maintained in the minute books of the Corporation.

3.6.4. If any notice or report addressed to the member at the member's address appearing on the books of the Corporation is returned to the Corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice or report to the member at such address, all future notices or reports shall be deemed to have been duly given without further mailing if the same shall be available for the member upon the member's written demand at the principal executive office of the Corporation for a period of one year from the date of the giving of the notice or report to all other members.

3.7. Record Date.

3.7.1. The board of trustees may fix a time in the future as a record date for determination of the members who are (i) entitled to receive notice of any meeting or to vote thereat, (ii) entitled to give written consent to any corporate action without a meeting, or (iii) entitled to exercise any rights in respect of any other lawful action. The record date so fixed shall be not more than sixty (60) or less than ten (10) days prior to the date of any meeting of the members, or more than sixty (60) days prior to any other action.

3.7.2. In the event no record date is fixed:

3.7.2.A. The record date for determining the members entitled to notice of or to vote at a meeting of members shall be at the close of business on the business day immediately preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

3.7.2.B. The record date for determining members entitled to give consent to corporate action in writing without a meeting, when no prior action by the board of trustees has been taken, shall be the day on which the first written consent is given.

3.7.2.C. The record date for determining members for any other purpose shall be at the close of business on the day on which the board of trustees adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

3.7.3. Notwithstanding any transfer of any memberships on the books of the Corporation after the record date, only members of record on the close of business on the record date are entitled to receive notice and to vote, to give written consent, to receive an allotment of rights or to exercise rights, as the case may be.

3.7.4. A determination of members of record entitled to receive notice of or to vote at a meeting of members shall apply to any adjournment of the meeting unless the board of trustees fixes a new record date for the adjourned meeting, but the Board shall fix a new record date if the meeting is adjourned for more than forty-five (45) days from the date set for the original meeting.

3.8. Quorum.

3.8.1. A majority of the memberships entitled to vote at a meeting of the members, represented in person or by proxy, shall constitute a quorum for the transaction of business thereat.

3.8.2. 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 shares required to constitute a quorum.

3.9. Adjournment.

Any meeting of the members may be adjourned from time to time whether or not a quorum is present by the vote of a majority of the memberships represented thereat either in person or by proxy. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting.

3. 10. Validation of Actions Taken at Defectively Called, Noticed or Held Meetings.

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3.10.1. The transactions of any meeting of the members, however called and noticed and wherever held, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote thereat, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

3.10.2. Attendance of a person at a meeting shall constitute a waiver of notice of and presence at such meeting, except (i) when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and (ii) that attendance at a meeting is not a waiver of any right to object to the consideration of any matter required by the Act to be included in the notice but not so included, if such objection is expressly made at the meeting.

3.11. Voting for Election of Trustees.

3.11.1. Except as provided in subdivision 3.11.3. of this Section, the affirmative vote of the majority of the memberships represented and voting at a duly held meeting at which a quorum is present (which shares voting affirmatively also constitute at least a majority of the required quorum) shall be the act of the members, unless the vote of a greater number is required by law, the Articles of Incorporation, the Declaration or any member agreement.

3.11.2. Every member complying with subdivision 3.11.3. of this Section and entitled to vote at any election of trustees may cumulate the member's votes and give one candidate a number of votes equal to the number of trustees to be elected multiplied by the number of votes to which the member's shares are normally entitled, or distribute the member's votes on the same principle among as many candidates as the member thinks fit.

3.11.3. No member shall be entitled to cumulate votes (i.e., cast for any candidate a number of votes greater than the number of votes which such member normally is entitled to cast) unless the candidate's or candidates' name(s) for which the member desires to cumulate votes has or have been placed in nomination prior to the voting and the member has given notice at the meeting prior to the voting of that member's intention to cumulate votes. If anyone member has given such notice, all members may cumulate their votes for candidates in nomination.

3.11.4. Elections for trustees may be by voice vote or by ballot unless any member entitled to vote demands election by ballot at the meeting prior to the voting, in which case the vote shall be by ballot.

3.11.5. In any election of trustees, the candidates receiving the highest number of affirmative votes of the shares entitled to be voted for them up to the number of trustees to be elected by such shares are elected as trustees.

3. 12. Proxies.

3.12.1. Every person entitled to vote memberships may authorize another person or persons to act with respect to such memberships by a written proxy signed by that person or that person's attorney-in-fact and filed with the Secretary of the Corporation. A proxy shall be deemed signed if the member's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by that member or that member's attorney-in-fact.

3.12.2. Any validly executed proxy, except a proxy which is irrevocable pursuant to subdivision 3.12.C. of this Section, shall continue in full force and effect until the expiration of the term specified therein or upon its earlier revocation by the person executing it prior to the vote pursuant thereto by a

writing delivered to the Corporation stating that it is revoked, (ii) by written notice of the death of the person executing the proxy, delivered to the Corporation, (iii) by a subsequent proxy executed by the person executing the prior proxy and presented to the meeting or (iv) as to any meeting, by attendance at such meeting and voting in person by the person executing the proxy. No proxy shall be valid after the expiration of eleven (11) months from the date hereof unless otherwise provided in the proxy. The date contained on the form of proxy shall be deemed to be the date of its execution.

3.12.3. A proxy which states that it is irrevocable is irrevocable for the period specified therein.

3.13. Inspectors of Election.

In advance of any meeting of the members, the board of trustees may appoint either one (1) or three (3) persons (other than nominees for the office of trustee) as inspectors of election to act at such meeting or any adjournments thereof. If inspectors of election are not so appointed, or if any person so appointed fails to appear or refuses to act, the chairman of any such meeting may, and on the request of any member or member's proxy holder shall, appoint inspectors of election (or persons to replace those who so fail or refuse to act) at the meeting. If appointed at a meeting on the request of one or more members or the proxy holders thereof, the majority of shares represented in person or by proxy shall determine whether one or three inspectors are to be appointed.

3.14. Action by Written Consent.

3.14.1. Subject to subdivisions 3.14.1. and 3.14.3. of this Section, any action which may be taken at any annual or special meeting of the members may be taken without a meeting, without a vote and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding memberships having not less than the minimum number of votes which would be necessary to authorize or take such action at a meeting at which all memberships entitled to vote thereon were present and voted. All such consents shall be filed with the Secretary of the Corporation and maintained with the corporate records.

3.14.2. Except for the election of a trustee by written consent to fill a vacancy on the board of trustees (other than a vacancy created by removal), trustees may be elected by written consent only by the unanimous written consent of all memberships entitled to vote for the election of trustees. In the case of an election of a trustee by written consent to fill a vacancy (other than a vacancy created by removal), any such election requires the consent of a majority of the outstanding memberships entitled to vote for the election of trustees.

3.14.3. Unless the consents of all members entitled to vote have been solicited in writing, the Secretary of the Corporation shall give prompt notice of the corporate action approved by the members without a meeting. This notice shall be given in the manner specified above. In the case of approval of (i) contracts or transactions in which a trustee has a direct or indirect financial interest, (ii) indemnification of agents of the Corporation, (iii) a reorganization of the Corporation, or (iv) a distribution in dissolution, notice of such approval shall be given at least ten (10) days before the consummation of any action authorized by that approval.

3.14.4. Any member giving a written consent, or that member's proxy holder, or a transferee of the memberships or a personal representative of the member or their respective proxy holders, may revoke the consent by a writing received by the Corporation prior to the time that written consents of the number of shares required to authorize the proposed action have been filed with the Secretary of the Corporation, but may not do so thereafter. Such revocation is effective upon its receipt by the Secretary of the Corporation.

ARTICLE IV
TRUSTEES

4. 1. Governing Board.

The affairs of the Corporation shall be managed by a governing board of trustees. Trustees need not be residents of the State of Utah. Trustees mayor may not be members.

4. 1.1. Specific Powers.

Without prejudice to the general powers set forth in these Bylaws, but subject to the same limitations, the trustees shall have the power to:

4.1.1.A. Appoint and remove, at the pleasure of the governing board, all the Corporation's officers, agents and employees; prescribe powers and duties for them that are consistent with law, the Articles of Incorporation and these Bylaws; fix their compensation; and require from them security for faithful performance of their duties;

4. 1. 1.B. Change the principal office or the principal business office in Utah from one location to another; and

4.1.1.C. Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures~ deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.

4.2. Number and Term.

The number of trustees on the governing board shall be not less than three (3) nor more than ten (10). The initial number of trustees shall be three (3). The number of trustees shall be increased or decreased from time to time by amendment to the Bylaws. No decrease in number shall have the effect of shortening the term of any incumbent trustee. Each trustee shall hold office for a term consisting of the shorter of one year or until his or her successor shall have been elected or appointed and qualified.

4.3. Nomination and Appointment.

Any trustee may be removed from the governing board with or with out cause by a single majority vote of the members. Any vacancy occurring in the governing board by reason of resignation, removal or otherwise, may be filled by the affirmative vote of a majority of the remaining trustees though less than a quorum of the governing board. Any trusteeship to be filled by reason of an increase in the number of trustees may be filled by a majority of the governing board. A trustee elected or appointed, as the case may be, to fill a vacancy shall be elected or appointed, for the unexpired term of his or her predecessor in office.

4.4. Meetings.

4.4.1. Place of Meetings.

Meetings of the governing board shall be held at any place inside or outside Utah that has been designated by resolution of the governing board or in the notice of the meeting or, if not so designated, at the principal office of the Corporation.

4.4.2. Meetings by Telephone.

Any meeting may be held by conference telephone or similar communication equipment long as as ail trustees participating in the meeting can hear one another. AH such trustees shall be deemed to be present in person at such a meeting.

4.4.3. Annual Meeting.

The governing board shall hold a regular annual meeting for purposes of organization, election of officers and transaction of other business.

4.4.4. Other Regular Meetings.

Other regular meetings of the governing board may be held without notice to the members at such time and place as the governing board may fix from time to time.

4.4.5. Special Meetings

4.4.5.A. Authority to Call.

Special meetings of the governing board for any purpose may be called at any time by the chairman of the governing board, if any; the president; any vice president; the secretary; or any two trustees.

4.4.5.B. Notice.

4.4.5.B.(i). Manner of Giving Notice.

Notice of the time and place of special meetings shall be given to each trustee by one of the following methods: (i) by personal delivery of written notice; (ii) by first-class mail, postage prepaid; (iii) by telephone, either directly to the trustee or to a person at the trustee's office who would reasonably be expected to communicate that notice promptly to the trustee; or (iv) by telegram, charges prepaid. All such notices shall be given or sent to the trustee's address or telephone number as shown on the records of the Corporation.

4.4.5.B.(ii). Time Requirements.

Notices sent by first-class mail shall be deposited in the United States mails at least four days before the time set for the meeting. Notices given by personal delivery, telephone or telegraph shall be delivered, telephoned or given to the telegraph company at least 48 hours before the time set for the meeting.

4.4.5.B.(iii). Notice Contents.

The Notice shall state the time of the meeting and the place, if the place is other than the principal office of the Corporation. It need not specify the purpose of the meeting.

4.4.6. Quorum.

A majority of the authorized number of trustees shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the trustees present at a duly held meeting at which a quorum is present shall be the act of the governing board, subject to the law. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of trustees, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

4.4.7. Waiver of Notice.

Notice of a meeting need not be given to any trustee who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Attendance of a trustee at any meeting shall constitute a waiver of notice of such meeting ~except

where such trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

4.4.8. Adjournment.

A majority of the trustees present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given, before the time of the adjourned meeting, to the trustees who were not present at the time of the adjournment.

4.5. Action Without a Meeting.

Any action that the governing board is required or permitted to take may be taken without a meeting if all trustees of the governing board consent in writing to the action; provided, however, that the consent of any trustee who has a material financial interest in a transaction to which the Corporation is a party shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the governing board. All such consents shall be filed with the minutes of the proceedings of the governing board.

4.6. Compensation and Reimbursement.

Trustees and members of committees may receive such compensation, if any, for their services as trustees or officers and such reimbursement of expenses as the governing board may determine by resolution to be just and reasonable as to the Corporation at the time the resolution is adopted.

4.7. Committees.

4.7.1. Committees of the Governing Board.

The governing board, by resolution adopted by a majority of the trustees then in office, provided a quorum is present, may create one or more committees, each consisting of two or more trustees and no persons who are not trustees, to serve at the pleasure of the governing board. Appointments to committees of the governing board shall be by majority vote of the trustees then in office. The governing board may appoint one or more trustees as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the governing board resolution, shall have all the authority of the governing board, except that no committee, regardless of governing board resolution, may:

4.7.1.A. Take any final action on any matter that, under the Act, also requires approval of a majority of all trustees;

4.7.1.B. Fill vacancies on the governing board or on any committee that has the authority of the governing board;

4.7.1.C. Fix compensation of the trustees for serving on the governing board or on any committee;

4.7.1.D. Amend or repeal the Bylaws or the Articles of Incorporation or adopt new bylaws or articles of incorporation;

4.7.1.E. Amend or repeal any resolution of the governing board that by its express terms is not so amendable or repeatable;

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4.7.1.F. Adopt a plan of merger or consolidation with another corporation;

4.7.1.G. Authorize the sale, lease, exchange, mortgage or pledge of all or substantially all of the property or the assets of the Corporation;

4.7.1.H. Authorize the voluntary dissolution of the Corporation or revoking proceedings therefore;

4.7.1.1. Adopt a plan for the distribution of the assets of the Corporation on dissolution;

4.7.1.J. Create any other committees of the governing board or appoint the members of committees of the governing board; or

4.7.1.K. Approve any contract or transaction to which the Corporation is a party and in which one or more of its trustees has a material financial interest, except as special approval is provided for in the Act or in these Bylaws.

The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the governing board, or any individual trustee, of any responsibility imposed upon it or him by law.

4.7.2. Meetings and Action of Committees.

Meetings and actions of committees of the governing board shall be governed by, held and taken in accordance with the provisions of these Bylaws concerning meetings and other governing board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by governing board resolution or, if there is none, by resolution of the committee of the governing board. Minutes of each meeting of any committee of the governing board shall be kept and filed with the corporate records. The governing board may adopt rules for the government of any committee, provided they are consistent with these Bylaws; or in the absence of rules adopted by the governing board, the committee may adopt such rules.

ARTICLE V
OFFICERS

5.1. Officers of the Corporation.

The officers of the Corporation shall be a president, a chief financial officer and a secretary. The Corporation may also have, at the governing board's discretion, a chairman of the governing board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers and such officers as may be appointed in accordance with these Bylaws.

5.2. Election of Officers.

The officers of the Corporation shall be chosen by, and serve at the pleasure of, the governing board, subject to the rights, if any, of any officer under any contract of employment.

5.3. Other Officers.

The governing board may appoint and may authorize the chairman of the governing board, the president or other officer to appoint any other officers that the Corporation may require. Each officer so

appointed shall have the title, hold office for the period, have the authority and perform the duties specified in the Bylaws or determined by the governing board.

5. 4. Removal of Officers.

Without prejudice to any rights of an officer under any contract of employment, any officer may be removed with or without cause by the governing board and also, if the officer was not chosen by the governing board, by any officer on whom the governing board may confer that power of removal.

5. 5. Resignation of Officers.

Any officer may resign at any time by giving written notice to the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice; and unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.6. Vacancies in Office.

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office; provided, however, that vacancies need not be filled on an annual basis.

5.7. Responsibilities of Officers.

5.7.1. Chairman of the Board.

If a chairman of the governing board is elected, he or she shall preside at meetings of the governing board and shall exercise and perform such other powers and duties as the governing board may assign from time to time. If there is no president, the chairman of the governing board shall also be the chief executive officer and shall have the powers and duties of the president of the Corporation prescribed by these Bylaws.

5.7.2. President

Subject to such supervisory powers as the governing board may give to the chairman of the governing board, if any, and subject to the control of the governing board, the president shall be the general manager of the Corporation and shall supervise, direct and control the Corporation's activities, affairs and officers. The president shall preside, in the absence of the chairman of the governing board, or if there is none, at all governing board meetings. The president shall have such other powers and duties as the governing board or the Bylaws may prescribe.

5. 7.3. Vice Presidents.

If the president is absent or disabled, the vice presidents, if any, in order of their rank as fixed by the governing board, or, if not ranked, a vice president designated by the governing board, shall perform all duties of the president. When so acting, a vice president shall have all powers of and be subject to all restrictions on the president. The vice presidents shall have such other powers and perform such other duties as the governing board or the Bylaws may prescribe.

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5.7.4. Book of Minutes.

The secretary shall keep, or cause to be kept, at the Corporation's principal office or such other place as the governing board may direct, a book of minutes of all meetings, proceedings and actions of the governing board, committees of the governing board and trustees' meetings. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, regular or special and, if special, how authorized; the notice given, the names of those present at governing board and committee meetings; and the number of trustees present or represented at trustees' meetings. The secretary shall keep, or cause to be kept, at the principal office in Utah, a copy of the Articles of Incorporation and Bylaws, as amended to date.

5.7.B. Notices. Seal and Other Duties.

The secretary shall give, or cause to be given, notice of all meetings of the governing board and committees of the governing board required by these Bylaws to be given. The secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the governing board or the Bylaws may prescribe.

5.7.5. Chief Financial Officer.

5.7.5.A. Books of Account.

The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The chief financial officer shall send, or cause to be given, to the trustees such financial statements and reports as are required to be given by law, these Bylaws or the governing board. The books of account shall be open to inspection by any trustee at all reasonable times.

5.7.5.B. Deposit and Disbursement of Money and Valuables.

The chief financial officer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the governing board may designate; disburse the Corporation's funds as the governing board may order; render to the president, chairman of the governing board, if any, and the governing board, when requested, an account of all transactions as chief financial officer and of the financial conditions of the Corporation; and have such other powers and perform such other duties as the governing board or the Bylaws may prescribe.

5.7.5.C. Bond.

If required by the governing board, the chief financial officer shall give the Corporation a bond in the amount and with the surety or sureties specified by the governing board for faithful performance of the duties of the office and for restoration to the Corporation of all of its books, papers, vouchers, money and other property of every kind in the possession or under the control of the chief financial officer on his or her death, resignation, retirement or removal from office.

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ARTICLE VI
INDEMNIFICATION

6. 1. Debt of Indemnity.

To the fullest extent permitted by law including Sections 16-10a-901 through 16-10a-909 of the Act (the "Indemnification Laws"), this Corporation shall indemnify its trustees, officers, employees and other persons described in that Section including persons formerly occupying any such position, against all expenses (including attorneys' fees), judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any proceeding, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that Section, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. All terms used in these indemnification provisions shall have the same meanings as set forth in the Indemnification Laws.

6. 2. Approval of Indemnity.

On written request to the governing board by any person seeking indemnification under these Bylaws, the governing board shall promptly determine whether the applicable standard of conduct set forth in Indemnification Laws; and, if so, the governing board shall authorize indemnification. If the governing board cannot authorize indemnification because the number of trustees who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of trustees who are not parties to that proceeding, the governing board shall promptly elect additional trustees who shall determine whether the applicable standard of conduct set forth in Indemnification Laws has been met; and, if so, the trustees shall authorize indemnification.

6. 3. Advancement of Expenses.

To the full extent permitted by the Indemnification Laws and except as otherwise determined by the governing board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the Corporation before final disposition of the proceeding on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

ARTICLE VII
INSURANCE

The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, trustees, employees and other agents against any liability asserted against or incurred by any officer, trustee, employee or agent in such capacity or arising out of the officer's, trustee's, employee's or agent's status as such.

ARTICLE VIII RECORDS AND REPORTS

8. 1. Maintenance of Corporate Records.

The Corporation shall keep all of its books and records at its principal executive office. All of the books and records may be inspected by any trustee, or any trustee's agent or attorney, for any proper purpose at any reasonable time.

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ARTICLE IX
CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the Act shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular and the term "person" includes both a legal entity and a natural person.

ARTICLE X
AMENDMENTS

10.1. Amendment of Bylaws.

Subject to the limitations set forth below, the governing board may adopt, amend or repeal Bylaws. The governing board may not, without the approval of the members, specify or change any Bylaw provision that would:

10.1.1. Fix or change the authorized number of trustees;

10.1.2. Fix or change the minimum or maximum number of trustees;

10.1.3. Change from a fixed number of trustees to a variable number of trustees or vice versa;

10.1.4. Increase or extend the terms of trustees; or

10.1.5. Increase the quorum for trustees' meetings.

10.2. Amendment of Articles.

The governing board may adopt an amendment to the Corporation's Articles of Incorporation at a meeting of the governing board upon receiving the vote of two-thirds of the trustees in office and the approval of the members. Any number of amendments to the Articles of Incorporation may be submitted and voted upon at anyone meeting.

ARTICLE XI
DISTRIBUTIONS AND LOANS

11.1. Distributions.

No dividend may be paid and no part of the income of the Corporation may be distributed to its trustees, officers or other persons. No part of the net earnings of the Corporation shall inure to or for the benefit of or be distributable to the trustees, officers or other persons except to pay reasonable compensation for services rendered and to make payments and distributions to further the Corporation's tax-exempt purposes.

11.2. Compensation

The Corporation shall pay compensation in a reasonable amount to its trustees or officers for services rendered, may confer benefits on the trustees and officers in conformity with the Corporation's purposes, may pay interest on certificates of indebtedness issued by the Corporation evidencing capital contributions or loans, and upon dissolution or final liquidation may make distributions in accordance with the laws applicable to the Corporation. Such payment, benefit or distribution may not be considered to be a dividend or distribution of income.

11.3. Loans.

The Corporation shall not make any loan to any of its trustees or officers'@226125 E:k 004 IG p~' 00824

10-52 MAINTENANCE AGREEMENT

10-52-1 A maintenance agreement shall be submitted for all large-scale developments that shall be substantially as follows:

MAINTENANCE AGREEMENT

AGREEMENT among *CANYON RIDGE APARTMENTS AT DEER MOUNTAIN, LP.* and *THE HOMES AT DEER MOUNTAIN HOMEOWNERS ASSOCIATION*, herein referred to as the "Developer" and the "Association", respectively, and Wasatch County, herein referred to as the "County" .

WHEREAS the Developer owns certain real property in the Unincorporated area of the County, which real property is more particularly described in Exhibit A attached hereto and by reference made a part hereof; and

WHEREAS the Developer is desirous of establishing on said real property a planned unit development (herein referred to as the "development") in conformity with the ordinances of the County, and also intends to provide for the benefits of subsequent owners certain open spaces, to be owned, maintained and operated by the Association; and

WHEREAS it is necessary and proper in connection with said development that an agreement be entered into among the Developer and the Association and the County for the purpose of guaranteeing the integrity, proper management and upkeep of the development and the furnishing of necessary services to subsequent owners, and for the furnishing of necessary services to subsequent owners, and for the further purpose of assuring that existing taxpayers are not burdened with the expenses of providing new residents with capital improvements and needed or desired services not common to the entire county or provided on a county-wide basis.

NOW, THEREFORE, in consideration of the necessary approvals, consents and authorizations to be given by the County for the purpose of allowing the Developer and Association to establish and operate said development, and for the purpose of complying with the ordinances of the County in such cases made and provided. The Developer and Association covenant and agree with the County, as hereinafter set forth.

Wherever in this agreement the County is referred to, it is understood that the reference is to the appropriate Board, Commission, department or person to whom authority shall have been delegated by law or ordinances or appropriate action of the Board of County Commissioners; and where no such delegation has been or can lawfully be made. The reference is to the Board of County Commissioners.

1. The County shall have no obligation to construct or provide capital improvements or extended services for said development, which are not common to the entire county and which are not provided on a countywide basis. The County shall have the right, however, to enter upon the premises of the development for inspection and for enforcement of all applicable laws, ordinances, covenants, conditions, restrictions, management policies and agreements relating to the development.
2. The Developer agrees to construct and provide at its expense the following improvements for said development:
 - (a) Open spaces and common areas as shown on the approved plans for the development.

The Developer agrees that all construction in the development shall conform to the plans of said development and the documentation submitted to and approved by the County, and also to the requirements of all applicable laws, ordinances, rules, and regulations promulgated by governmental authorities having jurisdiction.

3. The Developer represents and declares that it will make no user fee or charge to the owner or occupant of any lot or to the Association for any service, facility, business or enterprise which owners or occupants of the development need to subscribe to or patronize in order to have full use and enjoyment of their property or the common areas or facilities within the development, except that the Association may make a reasonable charge, by assessment or otherwise, for the use of services and facilities provided for occupants of the development, or which may be necessary for the operation and maintenance thereof.
4. Prior to the conveyance, sale or other disposition of any lot within the development, and before the right to possession of any lot is transferred to any person, the Developer will convey to and transfer control of all roadways, designated open spaces, to the association, without charge or the assumption of any obligation for the cost of construction of improvements thereon or thereto. All designated open spaces shown on the approved plans will also be transferred to the Association, subject to a covenant and restriction running with the land prohibiting any future dwellings or convenience establishments thereon and all other buildings except those approved by the County.
5. The association will be duly incorporated as a non-profit corporation under the laws of the State of Utah in accordance with the documentation heretofore submitted to and approved by the County for such purpose, and said Association is fully organized.
6. The association shall furnish and provide at its expense, maintenance and services as follows:
 - (a) All necessary maintenance for the open spaces and other common areas.
 - (b) All maintenance of covenants, conditions, restrictions and management policies set forth in the documents submitted in connection with approval of the project.
7. For the purpose of providing funds for the operation and maintenance of the development and the furnishing of necessary services to the occupants thereof, the Developer and the Association shall require an assessment to be made on each lot, in accordance with the Conditions, Covenants and Restrictions recorded against the lots.
8. To assure performance by the Association of its obligations hereunder, and to provide a means of paying for necessary services, maintenance and the enforcement of covenants, conditions, restrictions, management policies and agreements relating to the development should the Association default in so doing, an impound account shall be established by twenty-five dollars (\$25.00) per unit paid to the Association in such an account until there has been deposited in such account a sum equal to the amount resulting from multiplying the number of lots or dwelling units (whichever is greater) approved for such development by twenty-five dollars. Thereafter, no funds need be deposited until funds from the account have been expended to obtain compliance with this agreement, whereupon funds from said \$25.00 per unit shall again be deposited until the account has reached the required sum. It is the intention of this provision to require said account to be maintained at the required sum determined by the above formula. The County shall have the right to draw upon said impound account whenever a majority of the Board of County Commissioners deems it necessary to do so for the purposes of providing necessary services, maintenance or enforcement of covenants, conditions, restrictions and management policies, abating nuisances, and otherwise obtaining compliance with the terms of this agreement

to the County; and expenditures may be made for professional or technical services, including reasonable attorney's fees, required in obtaining such compliance. The discretion herein given the Board of County Commissioners to disburse funds from such account for the purposes stated shall be absolute and binding upon the parties hereto, after public hearing if one is requested by either the Developer, Association or County. No other person or corporation shall have the right to draw against said account. The account shall be deposited with First Security Bank of Utah, N.A. who may charge a reasonable fee for servicing the same by deducting the same from the account. Payments by the Association to the account of that portion of the annual assessments above required shall be made monthly (or such other approved period as assessments are payable) within thirty days after collection by the Association. The County shall have the right to audit the Association's assessment records upon reasonable notice, for the purpose of verifying the accuracy of the amounts remitted to the account; and the Association shall have the right to audit the impound account and disbursements made there from upon reasonable notice. All income produced by the impound account shall belong to the Association, but shall remain in and become part of the account all times when the total amount deposited therein is less than the required sum. All income to the account that may cause it to exceed the required sum shall be paid over to the Association.

IN WITNESS WHEREOF, the parties to this document have caused the same to be executed by their proper officers thereunto duly authorized this 17th day of July 2000.

AITEST:

CANYON RIDGE APARTMENTS AT DEER MOUNTAIN, L.P., a Utah limited partnership

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By Canyon Ridge at Deer Mountain, L.C., a Utah limited liability Co.

By: PSC Development Company, a Utah corporation, Manager

By:

~
Peter S. Cooke, President

AITEST:

THE HOMES AT DEER MOUNTAIN HOMEOWNERS, SOCIETY

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County

By P'i L.//

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County Clerk

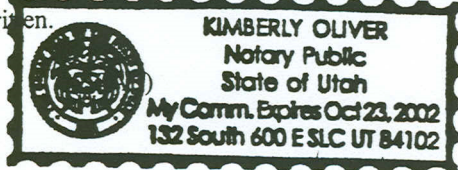
Chairman of the Board of County Commissioners

TATE OF UTAH)
) ss.)
OUNTY OF SALT LAKE

On this ---XL- day of \.) 111'vj ,2000, personally appeared before me, Peter S. Cooke, who being by me duly sworn, id say that he is the President of PSC Development Company, manager for the Canyon Ridge Apartments at Deer Mountain, L.P.

Id that he has authority to execute under oath and has so executed the above Maintenance Agreement for and on behalf of said Canyon Ridge Apartments at Deer Mountain, L.P.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year first above



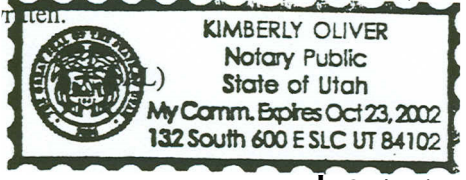
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TATE OF UTAH)
) ss.
:OUNTY OF SALT LAKE)

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On this 4-1--- day of ,111'1'! 2000, personally appeared before me, Mark B. Cohen, who being by me duly sworn, id say that he is the President of The Homes at Deer Mountain Homeowners Association and that he has authority to execute nder oath and has so executed the above Maintenance Agreement for and on behalf of said Homeowners Association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year first above



,ly Commission Expires: I Oi />;,!
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L<1.1~'/(f If!! '!'~1.1'i/
Notary Public !

,TATE OF UTAH)
) ss.)
~OUNTY OF WASATCH

On this day of , 2000, personally appeared before me, . who teing by my duly sworn, did say that he is the Chairman of the Board of County Commissioners of Wasatch County, and that he las authority to execute under oath and has so executed the Open Space Agreement for and on behalf of said Wasatch County.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year first above mttten.

(SEAL)

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Notary Public