

BYLAWS
OF ASPEN HILLS OWNERS ASSOCIATION
A UTAH NON-PROFIT CORPORATION

ARTICLE I

NAME AND LOCATION

The name of the Corporation is Aspen Hills Owners Association, hereinafter called the "Association." The principal office of the Association shall be the address of the President of the Association; but meetings of Members and Trustees shall be held at such places within the State of Utah as designated by the Board of Trustees.

ARTICLE 11

DEFINITIONS

Section 1. "Association" shall mean and refer to Aspen Hills Owners Association or its Successors or assigns.

Section 2. "Properties" shall mean and refer to that real property described in the Articles of Incorporation and the Declaration and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Members.

Section 4. "Common Area 1,2 or 3" shall mean and refer to that real property recorded in Plat B and owned by Veigh Cummings or his successors, executors, heirs, or assigns.

Section 5. "Recreation Area" shall mean and refer to that real property recorded within Plat B and owned by Veigh Cummings or his successors, executors, heirs, or assigns.

Section 6. "Air Strip" shall mean and refer to that real property recorded within Plat A and owned by Veigh Cummings or his successors, executors, heirs, or assigns.

Section 7. "Lot" shall mean and refer to any plot of land shown upon any recorded final plat map of the Properties with the exception of the Common Area, Common Area 1, Common Area 2, Common Area 3, Recreation Area, and Air Strip.

Section 8. "Owner" shall mean and refer to any person or entity who is the holder of a fee or undivided fee interest in any Lot or a Contract Buyer, who is subject by the Declaration tassessment by the Association, including a Contract Buyer, but excluding those holding an interest merely as security for the performance of an obligation.

Section 9. "Declarant" shall mean and refer to Aspen Hills Corporation or their successors or assigns.

Section 10. "Declaration" shall mean and refer to the Declaration of Protective Covenants applicable to the Properties-as recorded in the Office of the Sanpete County Recorder.

Section 11. "Member" shall mean and refer to those persons or entities subject to membership in the Association as provided in the Declaration.

Section 12. "Sel ler/C red itor/Developer" and "Developer's Association" shall mean and refer to Aspen Hills Corporation.

Section 13. "Good Standing" shall mean and refer to those Members who are not in violation of the provisions set forth in these Bylaws; the Declaration, and the Articles of Incorporation.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within six months after the date of incorporation of the Association, which date was March 31, 1992. The date, time, and place of such meeting shall be determined by the Board of Trustees; and notice shall be given in accordance with section 3 of this Article. Thereafter, the annual meeting shall be held as nearly as may be practical, on the same day of each year.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President, or the Board of Trustees, or upon written request of twenty-five (25) or more Members who are entitled to vote one-fourth (1/4) of all the votes of the membership. No

business shall be transacted at a special meeting, except as stated in the notice.

Section 3. Notice of Meetings. The notice of any meeting of the Members shall include date, time, and place of the meeting and, in the case of a special meeting, the purpose of the meeting. Such notice shall be in writing, and shall be mailed by or under the direction of the Secretary at least ten (10) days before the meeting date to the Member at the address

appearing on the records of the Association. The mailing of a notice of the meeting in the manner provided in this section shall be considered service of notice.

Section 4. Quorum. The presence in person or by proxy of Members having Twenty (20) percent of the total authorized votes-of the membership shall constitute a quorum at all meetings of the Members for any action, except as otherwise provided in these Bylaws, the Declaration, or the Articles of Incorporation. Section 5. Adjournment. If any meeting of the Members cannot be held because a quorum is not present or represented, a majority of the Members present, who are entitled to vote either in person or by proxy, may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum is present or represented. No such adjourned meeting may be held more than sixty (60) days after the date for which the meeting was originally called.

Section 6. Order of Business. A. The order of business at all annual meetings of the Members shall be as follows: (1) Welcome; (2) Proof of Notice of Meeting; (3) Nomination for the Board of Trustees; (4) Election for Members of the Board of Trustees; (5) Vote to Change the Annual Dues (when required) (6) Report on the Annual Financial statement-, (7) Presentation of the Annual Budget; (8) Presentation of the Annual Work Plans; (9) Reports of Committees; (10) Other Business; (11) Announce Results of Elections; (12) Announce Members of the Nominating Committee; (13) Adjourn. B. The order of business at special meetings of the Members shall be as follows:

(1) Welcome-, (2) Proof of Notice of Meeting; (3) Purpose of Meeting; (4) Discussion; (5) Vote (as required); (6) Read and Approve the Minutes of the Special Meeting; (7) Adj o u rn.

3ARTICLE IV

VOTING

Section 1. Member voting Rights. A Member of the Association, while in good standing, shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote of such Lot shall be exercised as they among themselves shall determine. However, in no event shall more than one (1) vote be permitted to be cast with respect to any Lot, and a joint Owner casting a vote shall be presumed to have the concurrence of all other joint Owners of the same Lot.

Section 2. Suspension of voting Rights. The voting right for each Lot owned shall be contingent to the payment in full of the assessments levied by the Association against such Lot as provided in Article XI of these Bylaws. This means, that while the annual dues and/or assessments for any

Lot remain unpaid for more than thirty (30) days, the vote attributed to such Lot is suspended until such annual dues and/or assessments are paid in full, including the interest and collection costs that are incurred while the annual dues and/or assessments remain delinquent.

Section 3. Proxies. All proxies shall be in writing, signed by the Member who is delegating the proxy, and filed with the Secretary of the Association. The written delegation shall provide the name of the Member, the name and mailing address of the person designated as proxy (who need not be a Member), the number of votes the person can cast, and the Lot numbers that represent these votes. Every proxy shall be revocable at any time by written notice to the Secretary from the Member so designating; and any proxy shall automatically be void and cease to have any effect as to the vote for any given Lot when the ownership of said Lot is changed by whatever cause.

Section 4. Majority of the Members. As used in these Bylaws, the term "Majority of the Members" shall mean those Members present, in person or by proxy, at any meeting of the Members and casting more than fifty (50) percent of the total authorized votes of all Members present at the meeting.

Section 5. Majority Vote. The vote of the Majority of the Members, as set forth in Section 4 of this Article, shall be required for the approval of any action except where a higher percentage of votes is required by the Bylaws, the Declaration, or the Articles of Incorporation; and the vote of the Majority of the Members shall be binding upon all Members.

Section 6. Voter Registration. Registration of voters by Lot number shall take place at the time and place of the annual or special meeting just prior to the meeting. ARTICLE V

BOARD OF TRUSTEES

Section 1. Qualifications. Any Member of the Association is qualified to be a Member of the Board of Trustees if they are in good standing in the Association, and they desire to serve.

Section 2. Number. The affairs of the Association shall be governed by a board of nine (9) Trustees.

Section 3. Term of Office. At the first annual meeting, the Members shall elect three (3)

Trustees for a term of one (1) year, three (3) Trustees for a term of two (2) years, and three (3) Trustees for a term of three (3) years; and at each annual meeting thereafter, the Members shall elect three (3) Trustees for a term of three (3) years.

Section 4. Nomination. Nomination for election to the Board of Trustees shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman who shall be a Member of the Board of Trustees, two (2) additional Members of the Board of Trustees, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Trustees prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board

of Trustees as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations must be made from among the Members of the Association.

Section 5. Election. Election to the Board of Trustees shall be held at an annual

meeting as provided in Section 3 of this Article, and shall be by secret ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of Article IV, Section 1 of these Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 6. Removal. Any Trustee may be removed from the Board of Trustees, with or without cause, by a vote of the Majority of the Members of the Association as provided in Article IV, section 4 of these Bylaws. In the event of death, resignation, or removal of a Trustee, his successor shall be selected by the remaining Members of the Board of Trustees and shall serve for the unexpired term of his predecessor.

Section 7. Compensation. No Member of the Board of Trustees shall receive compensation from the Association for acting as such, except that the Trustees shall receive compensation for actual expenses they incur in the performance of their duties. Such expenses incurred shall be presented in written form, to the Board of Trustees for approval. The written form shall show the amount incurred, an and explanation for the expense, and be dated and signed by the Member.

Section 8. Action Taken without a Meeting. The Trustees shall have the right to take any action, in the absence of a meeting, which they could take at a meeting by obtaining approval of all the Trustees. Any action so approved shall have the same effect as though taken at a meeting of the Trustees.

ARTICLE VI BOARD OF TRUSTEES MEETINGS

Section 1. Regular Meetings. At least one regular meeting of the Board of Trustees shall be held quarterly, or more often as necessary, without notice, at such time and place as may be fixed from time to time by resolution of the Board of Trustees.

Section 2. Special Meetings. Special meetings of the Board of Trustees shall be held when called by the President of the Association or by any two (2) Trustees. Notice of the meeting shall be given to each Trustee by the Secretary or the person or persons calling the meeting either by mail or by telephone at least three (3) days prior to the meeting.

Section 3. Quorum. A majority of the number of Trustees shall constitute a quorum for the transaction of Association business.

Section 4. Voting. Each Member of the Board of Trustees shall have one (1) vote, and every act or decision done or made by a majority vote of the Trustees present at a duly held meeting at which a quorum is present shall be regarded as the act of the In the event the quorum present is an even Board of Trustees. number, the Chair of the meeting shall not vote.

Section 5. Order of Business. The order of business at all Board of Trustees meetings shall be as follows:

- (a) Roll call;
- (b) Proof of notice of the meeting;
- (c) Purpose of the meeting (if a special meeting);
- (d) Read and approve the minutes of the preceding meeting;
- (e) Read and approve the minutes of the annual meeting (at the first Board of Trustees meeting to follow annual meeting)-,
- (~ Financial report;
- 6 (g) Reports of other officers (when so required); (h) Committee reports (when so required); (i) Unfinished business; 0) New business; (k) Set date, time, and place for next meeting; (1) Adjourn.

ARTICLE VII

BOARD OF TRUSTEES POWERS AND DUTIES

Section 1. Powers. The Board of Trustees shall have power:

- A. To exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Declaration, or the Articles of Incorporation;
- B. To declare the office of a Member of the Board of Trustees to be vacant in the event such Member shall be absent from three (3) consecutive meetings of the Board of Trustees without excuse"
- C. To appoint a new Member to the Board of Trustees when a vacancy occurs for any reason at any time, except the expiration of a term. Such appointment shall be for the remainder of the term of the one whose position has become vacant-,
- D. To adopt and publish rules and regulations governing the use of any Common Area, roadways, and facilities owned by the Association and the personal conduct of the Members and their guests thereon; and to establish penalties for any infraction thereof. These rules and regulations shall not be inconsistent with any provision of the Declaration;
- E. To suspend the voting rights and the right to the use of any recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended for any infraction of published rules and regulations after notice and hearing for a period not to exceed sixty (60) days;
- F. To acquire by purchase, rent, or lease such capital assets as may be necessary for the management and maintenance of the Properties within the jurisdiction of the Association;

G. To prepare and approve the annual work plans for road maintenance and security-, and set the priority in which the work will be completed;

H. To promote and ensure the preservation and environmental control of the subdivision; 1. To approve repairs of, additions and improvements to, or alterations of the property owned by the Association; and make repairs to and reconstruction for the property after damage, or vandalism, or other casualty, or as a result of condemnation, or eminent domain proceedings;

J. To engage an independent contractor, or hire a contract manager or supervisor, or other such employees as deemed necessary and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Trustees-

A. To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members-, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

B. To supervise all officers, agents and employees of the Association and to see that their duties are properly performed-,

C. To open bank accounts on behalf of the Association and designate the signatories required therefore-,

D. To develop an annual budget that will determine the amount required for operation, maintenance, and other affairs of the Association-,

E. To send written notice of annual dues and assessments to every Owner subject thereto at least thirty (30) days in advance of the due date;

F. To foreclose the lien against any property for which annual dues and assessments are not paid within ninety (90) days after the due date; or to bring action at law against the Owner personally obligated to pay the same;

G. To cause to be issued, upon demand by any Member, a statement setting forth

whether or not any annual dues and assessments have been paid. A reasonable charge may be made by the Board of Trustees for the issuance of these statements. If a properly issued statement indicates that annual dues and assessments have been paid and bears the Seal of the Association, such statement shall be conclusive evidence of such payment;

H. To procure and maintain adequate liability and hazard insurance on property owned by the Association. The premium for such insurance shall constitute an expense of the Association;

I. To cause any officer or employee having fiscal responsibilities to be bonded as deemed appropriate. The premium for such bonds shall constitute an expense of the Association-

J. To cause the Common Areas to be maintained in a clean, safe, and attractive manner;

8K. To cause the exterior of the dwellings and the yards around the dwellings to be maintained in a clean, safe, and attractive manner;

L. To delegate the responsibility of providing exterior maintenance to the Owner of each Lot; but such delegation shall not absolve the Association of the responsibility for maintaining such Lot at the expense of the Lot Owner, in the event of failure on the part of the Lot Owner to provide such exterior maintenance as set forth in the Declaration;

M. The Board of Trustees shall cause an audit of the books of the Association to be made each year by a qualified accountant or committee, independent of the Board of Trustees, and a report of such audit shall be presented to the Members at their annual meeting next following the completion of the audit;

N. To appoint the committees required by these Bylaws and other committees as deemed appropriate.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a President and Vice-President, who shall at all times be Members of the Board of Trustees, a Secretary and a Treasurer and such other Officers the Board of Trustees may from time to time by resolution designate.

Section 2. Qualifications. Any Member of the Association is qualified to be an officer if they are in good standing in the Association, and they desire to serve.

Section 3. Election of Officers. The election of officers shall take place at the first meeting of the Board of Trustees following each annual meeting of the Members.

Section 4. Term. The officers of the Association shall be elected annually by the Board of Trustees and each shall hold office until the next election of officers, unless they unless they shall sooner resign or shall be removed or otherwise disqualified to serve.

Section 5. Special Appointments. The Board of Trustees may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Trustees may from time to time determine.

Section 6. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board of Trustees. Any officer may resign at any time, giving written notice to the Board of Trustees, the President, or thesecretary. Such resignation shall take 9effect on the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7. Vacancies. A vacancy in any office may be filled by appointment by the Board of Trustees. The officer appointed to such vacancy shall serve for the remainder of the term of the officer so replaced.

Section 8. Multiple Offices. The offices of the Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 5 of this Article. Provided however, that any other Member of the Board of Trustees, except the President and Vice-President, may hold the office of Secretary or Treasurer if no other person can be qualified and will accept.

Section 9. Compensation. No officers shall receive compensation from the Association for acting as such, except that the officers shall receive compensation for actual expenses they incur in the performance of their duties. Such expenses incurred shall be presented in written

form to the Board of Trustees for approval. The written form shall show the amount incurred, an explanation for the expense, and be dated and signed by the officer.

Section 10. Authorization to Disburse Funds. The President, Vice-President, and the Treasurer are each authorized to sign checks issued by the Association; however, all checks issued by the Association must be signed by at least two (2) of the three (3) officers so authorized.

Section 11. Duties. The duties of the officers are as follows: A. President. The President shall-

(1) Preside at all meetings of the Board of Trustees and all annual and special meetings of the Members;

(2) See that the provisions of the Bylaws, the Declaration, the Articles of Incorporation are observed and adhered to in conducting the affairs of the Association;

(3) See that the resolutions approved by the Members and the orders and resolutions of the Board of Trustees are carried out;

(4) Ensure that the rights of the individual Members are protected;

(5) Sign all leases, mortgages, deeds, and other written instruments and may co-sign any checks and promissory notes issued by the Association. B. Vice-President. The Vice-President shall:

10 (1) Act in the place and stead of the President in the event of his absence, inability or refusal to act;

(2) Exercise and discharge such other duties as may be required by the Board of

Trustees. The Vice-President may co-sign any checks issued by the Association. C. Secretary. The Secretary shall:

(1) Record the votes and keep the minutes of all meetings and proceedings of the Board of Trustees and the Members-,

(2) Keep the corporate seal of the Association and affix it on all papers requiring said seal;

(3) Keep appropriate records showing the current names and addresses of the Lot Owners of the Association;

(4) Serve notice of meetings as set forth in Articles III and VI of these Bylaws;

(5) Have charge of such books and papers as the Board of Trustees may direct;

(6) Keep the file of proxy delegations.

- (7) Maintain a Member record file;
- (8) Inform the Treasurer of any change in Lot ownership;
- (9) Perform other such duties as required by the Board of Trustees.

D. Treasurer. The Treasurer shall:

- (1) Have the responsibility for Association funds and securities;
- (2) Be responsible for the deposit of all Association monies and other valuable effects in such depositories as from time to time may be designated by the Board of Trustees-;
- (3))Disburse funds as directed by the resolution of the Board of Trustees;
- (4) Co-sign any checks issued by the Association;
- (5) Keep full and accurate financial records and books of account showing all receipts and disbursements;
- (6) Prepare and present at the annual meeting of the Members, the financial statement of the Association; and provide a copy upon request;
- (7) Give a financial report at all Board of Trustees meetings;
- (8) Provide the Board of Trustees a list, or amendments thereto, of Owners who are ninety (90) days past due in the payment of their annual dues and assessments at all Board of Trustees meetings;
- (9) Assist the Board of Trustees in the preparation of the annual budget;
- (10) Assist the Board of Trustees in the preparation and issuance of the annual dues and assessment notices-;
- 11 (11) Inform the Secretary of any changes in Lot ownership; (12) Perform other such duties as required by the Board of Trustees.

ARTICLE IX COMMITTEES

The Board of Trustees shall appoint an Environmental Control Committee as provided in the Declaration and a Nominating Committee as provided in Article V of these Bylaws. In addition, the Board of Trustees may appoint other committees as deemed appropriate.

ARTICLE X BOOKS AND RECORDS

Section 1. The books, records, and papers of the Association shall be subject to inspection by any Member upon reasonable request.

Section 2. The Articles of Incorporation, the Declaration, and the Bylaws shall be available for inspection by any Member at the office of the Secretary of the Association where copies may be purchased at reasonable cost.

ARTICLE Xi ANNUAL DUES AND ASSESSMENTS

Section 1. As provided in the Declaration, the Owner(s), of each Lot that are not exempt as set forth in section 2 of this Article shall be obligated to pay to the Association annual dues and assessments. The annual dues shall be due on the first day of March each year. Any assessment(s) shall be due as provided in the notice of assessment. Any annual dues and assessments which are not paid when due are delinquent. If the annual dues and assessments are not paid within thirty (30) days after the due date, the annual dues and assessments shall bear interest from the date of delinquency at the rate of twelve (12) percent per annum. The Association may bring action at law against the Owner to collect annual dues and assessments, plus interest, costs and reasonable attorney's fees incurred in bringing such action. No Owner may waive or otherwise escape liability for the annual dues and assessments provided herein by non-use of the Common Area or abandonment of the Lot.

Section 2. The Owner(s) of each Lot may appeal the annual dues and assessments, for any legal or other valid reason by filing a written request for exemption with the Board of Trustees. All requests for exemption shall be filed with the Board of Trustees by September 1st of each year for consideration of an exemption of annual dues or assessments for the subsequent year. The written request shall set forth all reasons for the exemption. The Board of Trustees will take the appeal under advisement at the first Board of Trustees meeting after its receipt. Any annual dues or assessments shall not be delinquent during any period of appeal. The Owner may be required to appear before the Board of Trustees. If the exemption is approved, the Owner shall not be subject to annual dues or assessments for such Lot. As soon as the condition allowing the exemption is corrected or satisfied, the exemption is rescinded; and the Owner shall be levied a full year's annual dues or assessment by the Association, without regard to a partial year.

Section 3. The filing fee for plans and specifications submitted for approval of construction of any structure or improvement whatsoever in Aspen Hills subdivision shall be \$20.00 per project. This fee shall be payable to the Association.

Section 4. In the event of abuse of membership privileges by any Member(s) or their guests, as provided in the Declaration, these Bylaws, or published rules and regulations, the Board of Trustees shall have the right to assess additional charges and/or suspend membership privileges against the Member(s) permitting or creating the abuse.

ARTICLE Xii

CORPORATESEAL

The Association shall have a seal in circular form having within its circumference the words: ASPEN HILLS OWNERS ASSOCIATION.

ARTICLE Xiii INDEMNIFICATION

Section 1. Indemnification Third Party Actions. The Association shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative by reason of the fact that he is or was a Trustee, Officer, employee or agent of the Association, or is or was serving at the request of the Association as a Trustee, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The tender, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not by itself create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. Indemnification for Corporate Actions. The Association shall have the power

to indemnify any person who is or was a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a Trustee, Officer, employee or agent of the Association or was serving at the request of the Association as a Trustee, Officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and except that no indemnification shall be made in respect to any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. Section 3. Determination. To the extent that a Trustee, Officer, employee or agent of the Association has been successful on the merits or otherwise in any defense of any action, suit or proceeding referred to in Sections 1 or 2 hereof, or in any defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith. Any other indemnification under sections 1 or 2 hereof shall be made by the Association under a determination that indemnification is proper in the circumstances

because he has met the applicable standard of conduct set forth in Sections 1 or 2 hereof. Such determination shall be made either by the Governing Board of Trustees, by majority vote of a quorum consisting of Trustees who were not parties to such action, suit, or proceeding, or by independent legal counsel in a written opinion.

Section 4. General Indemnification, The indemnification provided by this Section shall not be deemed exclusive of any other indemnification granted under any provision in the Association's Articles of Incorporation, Bylaws, vote of Members or disinterested Trustees, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Trustee, Officer, employee, or agent and shall inure to the benefit of the heirs and legal representation of such a person.

Section 5. Advances. Expenses incurred in defending a civil or criminal action, suit, or

proceeding contemplated in this section may be paid by the Association, in advance of the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Board of Trustees and upon receipt of an undertaking by or on behalf of the Trustee, Officer, employee, or agent to repay such amount or amounts unless it ultimately be determined that he is to be indemnified by the Association as authorized by this Section.

Section 6. Scope of Indemnification. The indemnification authorized by this section shall apply to all present and future Trustees, Officers, employees, and agents of the Association and shall continue as to such persons who cease to be Trustees, Officers, employees or agents of the Association and shall inure to the benefit of the heirs, executors and administrators of all such persons and shall be in addition to all other indemnification's permitted by law.

ARTICLE XIV

SELLER/CREDITOR/DEVELOPER AND

DEVELOPER'S ASSOCIATION OBLIGATIONS

This Association does not assume any obligations for the Seller/Creditor/Developer or the Developer's Association: such as roads or other privately owned properties that were not developed, not completed, or not accessible; or roads that do not have legal existing easements and rights of way; or any other such type of obligation that should have been performed or provided on behalf of the Aspen Hills Subdivision or any Owners of the Properties therein; before an understanding and agreement(s) for each obligation can be reached between said Seller/Creditor/Developer or Developer's Association and this Association.

1 ARTICLE XV

AMENDMENTS

Section 1. These Bylaws may be amended at an annual meeting or special meeting called for that purpose by a vote of two-thirds (2/3) of the Members or their proxies present at the meeting as set forth in the Articles of Incorporation-

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

ARTICLE XVI

MISCELLANEOUS

Section 1. The fiscal year of the Association shall begin on the first day of January and end on the last day of December in the same calendar year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. It shall be the responsibility of the Member to notify the Secretary of the Association of any address change or provide the names and address of the new Owner(s) if they reconvey their lot(s);

The undersigned certifies the foregoing Bylaws have been adopted as the first Bylaws of the Association, in accordance with the requirements of the Utah Corporation Law.

DATED this 20th day of June 1992.

Beverly Johnson (signature)

Secretary, Aspen Hills Owners Association