

BY-LAWS OF
SWEETWATER GOLF COURSE HOMEOWNERS' ASSOCIATION, INC.
A UTAH NON-PROFIT CORPORATION FOR OWNERS OF LOTS IN
OMEGA AND GOLF COURSE SUBDIVISIONS OF SWEETWATER

ARTICLE I

OFFICES:

The principal office of the Corporation in the State of Utah shall be located in Utah at the business office (or residence if none) of the highest officer in Utah. The Corporation may have such other offices, either within or without the State of Utah, as the Governing Board may designate or as the business of the Corporation may from time to time require.

ARTICLE II

MEMBERS:

Section 1. Eligibility. Every person acquiring legal or equitable title to any lot in Omega or Golf Course subdivisions in the recreational development located in Rich County, State of Utah, known as Sweetwater Park shall become a Member of this Corporation and shall be entitled to one (1) share of stock in this Corporation for each lot for which legal or equitable title is acquired; provided, however, upon completion of a dwelling upon such lot, the owner thereof shall be entitled to an additional two (2) shares of stock in this Corporation provided further, however, that any Member, regardless of the number of lots owned or shares held, may vote for members of the Governing Board only as provided in Section 9 of this Article II. Each lot owner shall continue as a Member during the period in which he retains title to any lot in the Sweetwater Park recreational development. Transfer of title to a lot shall automatically transfer the shares of stock in this Corporation appurtenant to such lot to the transferee or transferees.

Section 2. Annual Meeting. The Annual Meeting of the Members shall be held at a time and location and on a Saturday selected by the Governing Board between the Memorial Day weekend and the Labor Day weekend of each year for the purpose of electing a Governing Board, adopting dues, fees and assesment charges, and for the transaction of such other business as may come before the meeting.

If for any reason the Annual Meeting shall not be held on the day herein before designated, such meeting may be called and held as a Special Meeting, and the same proceeding may be held thereat as at an Annual Meeting.

Section 3. Special Meetings. Special Meetings of the Members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, by any three (3) or more trustees of the Governing Board, or by the Members having the right to cast ten percent (10%) of the votes entitled to be cast as such meeting.

Section 4. Place of Meeting. See Section 2, above. The Governing Board may designate any place, either within or without the State of Utah, as the place of meeting for any Annual Meeting or for any Special Meeting called by the Governing Board. A Waiver of Notice, signed by a majority of Members entitled to vote at a meeting may designate any place, either within or without the State of Utah, as the place for holding such meeting. If no designation is made or if a Special Meeting is otherwise called, the place of meeting shall be the principal office of the Corporation in the State of Utah.

Section 5. Notice of Meeting. A good faith effort will be made to deliver a written or printed notice stating the place, day and hour of the meeting, and in case of a Special Meeting, the purpose or purposes for which the meeting is called, to each Member of record entitled to vote at such meeting not less than ten (10) days nor more than ninety (90) days before the date of the meeting, personally, by mail or by e-mail, by or at the direction of the President, the Secretary or the officer or persons calling the meeting. Notice of any meeting of the Members may also be provided through the Association's website and /or newsletter. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Corporation, with postage prepaid. Provided, however, a Waiver of Notice, in writing, signed by a majority of the Members, shall be equivalent to the giving of such notice.

Section 6. Voting Lists. The officer or agent having charge of the records and books of the Corporation shall make available at least ten (10) days before each meeting of Members, a complete list of Members entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of, and the number of shares held by each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the Corporation and shall be subject to inspection by any Member at any time during the usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting. The records shall be prima facie evidence as to who are the Members entitled to examine such list or transfer books or to vote at any meeting of Members.

Section 7. Quorum. The Members present in person or by proxy shall constitute a quorum at any meeting of Members. The vote of a majority, unless a higher percentage by otherwise specifically required in these By-Laws, of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by the Members.

Section 8. Proxies. At all meetings of Members, except as limited by these Bylaws, a Member may vote by proxy executed in writing by the Member or by Member's duly authorized attorney-in-fact acting under a Power of Attorney and may vote by absentee ballot for the Governing Board as provided in subsection 9.c immediately below. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the

meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 9. Voting Shares. Except as provided below, each outstanding share entitled to vote shall be entitled to one (1) vote upon each matter submitted to a vote at a meeting of Members, the number of shares held by each Member set forth in Section 1 of this Article II.

- a. If a lot is owned by more than one person, the share(s) represented by that lot shall only be voted as a unit. For example, if Mr. and Mrs. Green own a lot upon which a residence has not been constructed, they will be entitled to cast one vote, between them, on issues coming before the Members. Should joint owners be unable to agree on how to cast their vote, their vote shall not be counted.
- b. On all issues coming before the Members, other than the election of the Governing Board, Members shall have shares and voting rights in accordance with Section 1 of this Article II. In the election of the Governing Board, however, regardless of the number of lots owned or whether a residence has been erected upon a lot, each Member (or group of joint Members) shall have only one vote for each Governing Board member to be elected and there will be no cumulative voting.
- c. Proxies are not allowed in the election of the Governing Board but Members who are unable to attend the Annual Meeting may vote for candidates for the Governing Board by absentee ballot provided that the absentee ballot is in writing, clearly identifies the candidate(s) for which the ballot is being cast, is signed and dated by the Member, identifies the lot(s) owned by the Member and is delivered to either the President or the Secretary of the Corporation at least three days prior to the Annual Meeting.
- d. If fewer than all of the joint owners of a lot or lots is present at a meeting of the Members, whether in person, by proxy (where allowed) or by absentee ballot (where allowed), such joint owner (Member) shall be entitled to all of the voting rights that are jointly held with another person or persons. (As used in these Bylaws "person" shall be deemed to apply both to a natural person and to an artificial person such as a corporation or other entity).

Section 10. Voting of Shares by Certain Holders. Shares standing in the name of another corporation may be voted by such officer, agent or proxy as the By-Laws of such corporation may prescribe, or in the absence of such provision, as the Board of Directors of such corporation may determine.

Shares held by an administrator, executor, guardian or conservator may be voted by it, either in person or by proxy, without a transfer of such shares into its name. Shares standing in the name of a trustee may be voted by it, either in person or by proxy, but no trustee shall be entitled to vote shares held by it without a transfer of such shares into its name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by, or under the control of a receiver, may be voted by such receiver without the transfer thereof into his name, if authority so to do be contained in an appropriate order of the Court by which such receiver was appointed.

A Member whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledge, and thereafter the pledge shall be entitled to vote the shares so transferred.

Shares of its own stock belonging to the Corporation or held by it in a fiduciary capacity, shall be voted, by the presiding officer as directed by the trustees, and such shares shall be counted in determining the total number of outstanding shares.

Section 11. A. Informal Action by Shareholders. Any action required to be taken at a meeting of the Members, or any other action which may be taken at a meeting of the Members, may be taken without a meeting of the consent in writing, setting forth the action so taken, shall be signed by all the Members entitled to vote with respect to the subject matter thereof.

B. Consent to Action Without Meeting. Any action required by this act to be taken at a meeting of the Members or trustees of the Corporation, or any action which may be taken at a meeting of the Members or Trustees may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof, or all of the trustees, as the case may be. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any articles or documents filed with the secretary of state under this act.

Section 12. Order of Business at Annual Meeting. The order of business at the annual meeting shall be as follows:

- (a) Roll call, or commencement of sign-in list circulation amongst members;
- (b) Reading notice and proof of mailing, if required;
- (c) Reading of minutes of last preceding meeting, unless waived;
- (d) Report of President and others designated by the President;
- (e) Report of Secretary;
- (f) Report of Treasure;
- (g) Report of the Committees;
- (h) Transaction of old business;
- (i) Election of Trustees;
- (j) Transaction of other business mentioned in the notice;
- (k) Consideration and transaction of other new business;
- (l) Adjournment.

In the absence of majority vote to the contrary, the Presiding Officer shall have the discretion to vary the order of business.

Section 13. Waiver of Notice. Notice of the time, place and purpose of any meeting of the Members may be waived by telegram, mailgram, cablegram or other writing, either before or after such meeting has been held.

Section 14. Governing Board Election Procedure. Any Member desiring to be elected to the Governing Board shall submit to the President or the Secretary at least forty-five (45) days prior to the Annual Meeting at which the election of Trustees is to be held, a signed, written declaration to that effect, identifying the lot(s) owned by the candidate by subdivision name and lot number. No particular form will be required, but the declaration of candidacy must be in writing and, in addition to information stated above, should include a brief statement concerning the background of the candidate and why the candidate would like to become a member of the Board. No trustee nominations from the floor will be accepted at the annual Meeting and a written declaration of candidacy will not be accepted less than forty-five (45) days prior to the Annual Meeting.

ARTICLE III

GOVERNING BOARD:

Section 1. Number and Term of Trustees. The business, property and affairs of this Corporation shall be managed by a Governing Board composed of nine (9) persons, some of whom may also be officers (hereinafter sometimes collectively referred to as "Trustees" or "Directors" and individually as a "Trustee" or "Director"). Trustees must be Members of the Corporation. One-third (1/3) of the Trustees were selected to serve for three (3) year terms, one-third (1/3) of the Trustees were selected to serve for two (2) year terms, and one-third (1/3) of the Trustees were selected to serve for one (1) year terms. Minutes were prepared to show which specific Members were selected to serve for which specific periods. At each succeeding Annual Meeting of the Members, one-third (1/3) of the Trustees shall be elected to fill the vacancies occurring as a result of expirations of Trustees' terms of office for a term of three (3) years by a majority vote of the Members. Trustees shall continue to hold office until their successors are duly elected and qualified. Notwithstanding anything contained in this ARTICLE III, Section 1, to the contrary, until the first annual meeting of the Members of the Governing Board shall be composed of three (3) Trustees.

Section 2. Removal of Trustees. Any Trustee or Trustees of the Corporation may be removed from office with cause as decided upon by a majority of the Trustees at any meeting of the Trustees called for such purpose.

Section 3. Vacancies. Vacancies in the Governing Board shall be filled by election by a majority of the remaining Trustees. Each person so elected to fill a vacancy shall remain a Trustee until removed or his successor has been elected by the Members

who may make such election at the next Annual Meeting or at any Special Meeting duly called for that purpose and held prior thereto.

Section 4. General Powers and Duties. The Governing Board shall have the complete and exclusive care, custody and control of the Corporation's properties and shall exercise all of the corporate powers subject to the provisions of the laws of the State of Utah, the Articles of Incorporation and the By-Laws. The entire management of the Corporation, its affairs, its properties and assets, is vested exclusively in the Governing Board.

The Governing Board shall have the power to decide finally and to effectuate and perform decisions of the Trustees regarding to whom and what amounts, and at what times, and under what conditions, payments and distributions shall be made in furtherance of the pursuits and objects of this Corporation; accordingly, the Governing Board shall make such payments and distributions of the Corporation's properties and assets and income as may be decided upon from time to time by a decision of the majority of the Trustees as contained in its minutes, but all nevertheless strictly of the type permitted under the Articles of Incorporation and the By-Laws.

The Governing Board shall have the power, if the Trustees should so decide, to appoint a corporate trustee to receive, manage, hold, invest and disburse the funds and/or properties or assets of the Corporation, subject to the control and decision of the Trustees in exercising its powers pursuant to the immediately preceding paragraph hereof; and in these connections, the Trustees may enter into a contract or agreement with such corporate trustee containing the various terms and conditions covering such relationship, including but not restricted to the powers and duties of the corporate trustee.

The Governing Board shall have the power to pay salaries or other compensation to Trustees and officers for personal services actually rendered by them and for payment of or reimbursement of expenses reasonably associated with duties, but such salaries or compensation or expenses shall not be in excess of limitations imposed by the Members or a reasonable allowance for such personal services rendered by such trustee and officers or expenses incurred.

Notwithstanding anything herein to the contrary, it is strictly understood and agreed that the Governing Board's powers, prerogatives, duties and responsibilities shall be vested in them and shall be exercised by them strictly in a fiduciary capacity to carry out, perform and accomplish the pursuits and objectives of this Corporation and their powers are expressly limited so as to do nothing nor accomplish any act which would be in contravention or derogation of the pursuits and objectives as stipulated above.

Section 5. Power to Elect Officers. The Governing Board shall select a President, a Vice President, and any additional Vice Presidents deemed necessary or desirable, a Secretary and a Treasurer. The President, Vice President and Secretary shall be Trustees

and, at the option of the Board, the Treasurer may be a Trustee and the offices of Secretary and Treasurer may be held by one person. Assistants to officers and lesser Vice Presidents may be appointed by the Trustees and such assistants need not be Trustees. In addition, the Members may elect one or more Associate (nonvoting) members of the Governing Board at any Annual Meeting. Candidates to be Associate Board Members may be nominated from the floor and as many Associate Board Members may be elected as deemed desirable by the Members. Associate Board Members shall be notified of all meetings of the Board and shall be entitled to attend and participate in all Board meetings, but shall not be entitled to vote on any matter coming before the Board. Associate Board Members shall have such duties and perform such functions as may be delegated by the President or by the Board as a whole.

Section 6. Power to Appoint Other Officers and Agents. The Governing Board shall have the power to appoint such other officers and agents as the Board may deem necessary for the transaction of business of the Corporation.

Section 7. Delegation of Powers. For any reason deemed sufficient by the Governing Board, whether occasioned by absence or otherwise, the Board may delegate all or any of the powers and duties on any officer to any other officer or Trustee, but no officer or Trustee shall execute, acknowledge or verify any instruments in more than one capacity.

Section 8. Power to Appoint Executive Committee or Other Committees. The Governing Board shall have power to appoint by resolution an executive committee composed to two (2) or more Trustees who, to the extent provided in such resolution, shall have and exercise the Authority of the Governing Board in the management of the business of the Corporation between meetings of the Board. The Governing Board shall have power to appoint by resolution other committees from amongst the membership to advise the Governing Board or officers.

Section 9. Power to Require Bonds. The Governing Board may require any officer or agent to file with the Corporation a satisfactory bond conditioned upon the faithful performance of his duties. The expense of such bond may be borne by the Corporation

Section 10. Annual Meeting of the Governing Board. The Annual Meeting of the Governing Board shall be held each year immediately after (within 50 hours), and at the same (or near by) place as, the Annual Meeting of the Members.

Section 11. Special Meetings of the Governing Board. Special meetings of the Governing Board may be called by the President or any three (3) or more Trustees, upon written notice thereof, signed by the President and the Secretary. No business not mentioned in the notice shall be transacted at such meeting unless all Trustees are present or consent (verbally or in writing) though not present and agree to the transaction of such business.

Section 12. Place of Meeting. Any or all meetings of the Governing Board of this Corporation may be held within or outside of the State of Utah; provided, however, meetings shall be held at the principal office of the Corporation unless provided otherwise pursuant to a By-Law or resolution adopted by the Governing Board.

Section 13. Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting, and in case of a Special Meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, Secretary, or the officer or persons calling the meeting, to each Trustee. If mailed, such notice shall be deemed to be delivered when deposited in the United States mails addressed to the Trustee at the Trustee's address as it appears on the records of the Corporation, with postage prepaid.

Section 14. Waiver of Notice. Notice of the time, place and purpose of any meeting of the Governing Board may be waived by telegram, electronically transmitted message, mailgram, or other writing either before or after such meeting has been held. The attendance of a trustee at a meeting shall constitute a Waiver of Notice of such meeting, except where a 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.

Section 15. Quorum of Trustees. A majority of the Trustees shall constitute a quorum for the transaction of business of the Corporation, but a lesser number may adjourn from time to time without notice other than an announcement at the meeting, until a quorum shall attend. The act of the majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Governing Board.

Section 16. Presumption of Assent. A Trustee of the Corporation who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered into the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as a Secretary of the meeting before the adjournment thereof or shall forward such dissent by certified mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a trustee who voted in favor of such action.

Section 17. Informal Action by Trustee. Any action required to be taken at a meeting of the Trustees, or any other action which may be taken at a meeting of Trustees, may be taken without a meeting if a consent in writing, setting forth the action so taken shall be signed by all Trustees.

Section 18. Power to Assess Penalties. To the maximum extent allowed by law, the Governing Board shall have the power and authority to levy fines, penalties and/or assessments for any violation of the Covenants, Conditions and Restrictions ("CC&Rs")

applicable to the Omega or Golf Course Subdivision in which the offending lot is located. The amount of the fine, penalty or assessment shall be as determined by the Board in any amount up to One Thousand Dollars (\$1,000.00), provided, however, that no fine or assessment will be assessed until a reasonable time after the owner of the lot has been notified of the CC&R violation and has been given an opportunity to correct or dispute the violation and has failed to do so to the reasonable satisfaction of the Board. To the maximum extent allowed by law, the offending Member shall be liable for the Corporation's collection and/or enforcement costs, including but not limited to attorneyh fees and espenses.

ARTICLE IV

OFFICERS:

Section 1. Number. The officers of the Corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Governing Board), a Secretary, and a Treasurer, each of whom shall be elected by the Governing Board. Such other officers and assistance officers as may be deemed necessary may be elected or appointed by the Governing Board. Any two or more offices, other than the offices of President and Secretary, may be held by the same person. All officers except Assistants and lesser Vice Presidents (as herein described) must be members.

Section 2. Removal. Any officer or agent elected or appointed by the Governing Board may be removed by the Governing Board whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 3. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Governing Board for the unexpired portion of the term.

Section 4. The President. The President shall be the principal executive officer of the Corporation and, subject to the control of the Governing Board, shall in general supervise and control all of the business of the Governing Board. The President shall, when present, preside at all meetings of the Members and of the Governing Board. If the President of the Board is not present, then the Vice President shall preside. If no President or Vice President is present, then the Secretary shall preside. If none of the foregoing is present, then the Treasurer shall preside. The President may sign, with the Secretary or any other proper officer of the Corporation authorized by the Governing Board, certificates for shares of the Corporation, any deed, mortgages, bonds, contracts or other instruments which the Governing Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Governing Board or by these By-Laws to some other officer or agent of the Corporation or shall be required by law to be otherwise signed or executed. The President shall, in

general, perform all duties incident to his office and such other duties as may be prescribed by the Governing Board from time to time.

Section 5. The Vice Presidents. In the absence of the President, or in the event of his death, inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election), shall perform the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or any assistant Secretary, certificates for shares of the Corporation; and shall perform such other duties as from time to time may be assigned to him by the President or by the Governing Board.

Section 6. The Secretary. The secretary shall:

- (a) Keep the minutes of the Members' and of the Governing Board' meetings in one or more books provided for that purpose;
- (b) See that all notices are duly given in accordance with the provisions of these By-Laws or as required by law;
- (c) Be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized:
- (c) Keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member;
- (e) Sign with the President or Vice President, certificates for shares of the Corporation; if the issuance of shares or other certificates of membership shall have been authorized by resolution of the Governing Board.
- (f) Have general charge of the books and records of the Corporation; and
- (g) In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President, or by the Governing Board.

Section 7. The Treasurer. If required by the Governing Board, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Governing Board shall determine. He shall:

(a) Have charge and custody of, and be responsible for, all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of ARTICLE V of these By-Laws; and

(b) In general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Governing Board.

Section 8. Assistant Secretaries and Assistant Treasurers. The assistant Secretaries, when authorized by the Governing Board, may sign with the President or a

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Vice President, certificates for shares of the Corporation, if the issuance of certificates shall have been authorized by a resolution of the Governing Board.

The assistant Treasurers shall respectively, if required by the Governing Board, give bonds for the faithful discharge of their duties in such amounts and with such sureties as the Governing Board shall determine.

The assistant Secretaries and Assistant Treasurers need not be members, in general shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or Governing Board.

Section 9. Salaries. The salaries of the officers shall be fixed from time to time by the Governing Board and no officer shall be prevented from receiving such salary by reason of the fact that he is also a Trustee of the Corporation.

ARTICLE V

CONTRACTS, LOANS, CHECKS AND DEPOSITS:

Section 1. Contracts. The Governing Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the Corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Governing Board. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner as shall from time to time be directed and determined by resolution of the Governing Board.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, money market or other depositories as the Governing Board may select.

ARTICLE VI

CERTIFICATES FOR SHARES OR MEMBERSHIPS AND THEIR TRANSFER:

Section 1. Certificates for Shares. Certificates representing shares of the Corporation or membership or both shall be in such form as shall be determined by the Governing Board, and unless and until otherwise so designated by the Board shall be in the form of a membership extract of records executed by the Corporation. Such certificates shall be signed by the President or Vice President, and by the Secretary or an assistant Secretary. All certificates for shares shall be consecutively numbered or otherwise identified by lot designation. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books and records of the Corporation. All certificates surrendered to the Corporation for transfer shall be canceled and no new certificates shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled or assigned, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefore upon such terms and indemnity to the Corporation as the Governing Board may prescribe.

Section 2. Transfer of Shares. Transfer of shares of the Corporation shall be made on the books and records of the Corporation at the request of the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation. The Corporation is authorized to rely upon notices of assignment or sale executed by the transferor of a lot as evidence of ownership. The records of the Rich County Recorder shall be prime facie evidence of ownership. The person in whose name shares stand on the books of the Corporation shall be deemed by the Corporation to be the owner thereof.

ARTICLE VII

FISCAL YEAR:

The fiscal year shall be the calendar year beginning on the 1st day of January, and ending on the last day of December of each year.

ARTICLE VIII

DUES AND ASSESSMENTS:

Section 1. Dues, Fees and Assessments. The Governing Board shall fix and determine from time to time the dues, fees and assessments to be paid by each Member. Unless otherwise specified such dues, fees and assessments shall be due within 30 days of date of notice and shall bear interest at the rate of 2% per month after the due date. The dues, fees and assessments collected shall be paid over to this Corporation and held for the uses and purposes of this Corporation. The officers of the Corporation are authorized to bring an action at law against any member or other obligated person for any dues, fees and assessments which are delinquent, and all rights and privileges of a Member shall be automatically suspended during the continuance of any such delinquency. The delinquent Member or person responsible for such dues, fees and assessments shall be responsible to pay billing and collection costs and reasonable attorney fees.

Section 2. Lien Rights. The Corporation, for the purpose of enforcing payments of such dues, fees and assessments, shall have a lien against the interest of any Member in said Member's lot in Sweetwater Park, and in his stock of this Corporation, to secure the faithful performance in compliance with these By-Laws and the full and prompt payment of all dues, fees (including collection costs and reasonable attorney fees, whither for enforcement of collection hereunder) and assessments levied by the Governing Board; provided, however, it is specifically understood that the lien hereby created shall, at all times, be subordinate and inferior to the lien of any bonafide lending institution lien, or purchase money mortgage which now exists or is hereinafter placed on said lot or any part or parcel thereof. The Corporation may file for record lis pendence upon commencement of any action.

Section 3. Payment by Sweetwater Incorporated. Sweetwater Incorporated is the owner of certain lots in approved and filed subdivisions in Sweetwater Park, and shall be liable to pay dues, fees and assessments levied by the Governing Board against any such unsold lots in the same manner and in the same amounts as any other Members until such lot is sold, and during such period shall have the same rights with reference to said unsold units, including voting rights as set forth in Section 1 of Article II of these By-Laws, as any other member owning a lot in Sweetwater Park.

Section 4. Permit to Construct. All persons desiring to place, erect, or construct a single-family dwelling or related improvement on any lot in the various subdivisions, or desiring to alter, amend, or add to any existing improvements, must obtain permission in writing (form number SGHA-a, Permit to Construct), before any construction is initiated. Lot owners violating this article will be subject to an additional \$1,000.00 assessment and reasonable attorney's fees for collection." (amended to the By-Laws, June 20, 1998)

ARTICLE IX

SEAL:

The Governing Board shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation and other relevant information and the state of incorporation and the words, "Corporate Seal."

ARTICLE X

WAIVER OF NOTICE:

Whenever any notice is required to be given to any Member or Trustee of the Corporation under the provisions of these By-Laws or under the provisions of the Articles of Incorporation or under the provisions of the Utah Non-Profit Corporation and Co-operative Association Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI

ADMENDMENT OF BY-LAWS:

Section 1. Amendment of Members. These By-Laws may be amended, altered, changed, added to or repealed by an affirmative vote of the Members at any regular or special meeting of the Members if Notice of the proposed amendments, alteration, change or repeal be contained in the notice of the meeting.

Section 2. Amendment by Governing Board. These By-Laws may also be amended, altered, changed, added to or repealed by an affirmative vote of a majority of the Governing Board at any regular or special meeting of the Governing Board of notice of the proposed amendment, alteration, change or repeal be contained in the notice of the meeting, provided, however, By-Laws pertaining to the qualification, voting rights and property rights of Members and the termination or forfeiture of memberships shall not be

amended or repealed unless such change receives at least a majority of the votes which Members present at a duly called meeting of members entitled to cast.

Section 3. Prohibitive Amendments. The Members or the Governing Board shall not be permitted to amend the By-Laws contrary to the provisions of the Articles of Incorporation or restrictive covenants.

ARTICLE XII

CONFLICTS:

No contract or other transaction between this Corporation and one or more of its Trustees or any other corporation, firm, association or entity in which one or more of its Trustees are Trustees or officers or are financially interested, shall be either void or voidable because of such relationship or interest, or because such Trustee or Trustees are present at the meeting of the Governing Body, or a committee thereof which authorizes, approves or ratifies such contract or transaction, or because his or their votes are counted for such purpose if: (a) the fact of such relationship or interest is disclosed or known to the Governing Board or committee which authorizes approves or ratifies the contract or transaction by vote or consent sufficient for the purpose without counting the votes or consents of such interested Director; or (b) the fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve or ratify such contract of transaction by vote or written consent; or (c) the contract or transaction is fair and reasonable to the corporation.

Common interested Trustees may be counted in determining the presence of a quorum at a meeting of a Governing Board or committee, thereof which authorizes, approves or ratifies such contract or transaction.

ARTICLE XIII

ADOPTION:

The foregoing By-Laws were adopted by the trustees at a meeting held on the 19th of April, 1983.

President

Secretary