

BYLAWS
OF
MESA HILLS SUBDIVISION (UNITS 1, 2 AND 3)
HOMEOWNERS ASSOCIATION, INC.

I. NAME AND LOCATION

1. Name. The name of the corporation is the Mesa Hills Subdivision (Units 1, 2 and 3) Homeowners Association, Inc., a Utah non-profit corporation.
2. Principal Office. The principal office of the Association shall be located at Cedar City, Iron County, Utah, and meetings of Members and trustees may be held at such places within the County of Iron, State of Utah, as may be designated by the Board of Trustees.

II. DEFINITIONS

When used in these Bylaws, the following terms shall have the meaning indicated:

1. Articles shall mean and refer to the Articles of Incorporation of the Mesa Hills Subdivision (Units 1, 2 and 3) Homeowners Association, Inc.
2. Association ~~shall mean and refer to~~ the Mesa Hills Subdivision (Units 1, 2 and 3) Homeowners Association, Inc., a Utah non-profit corporation which is organized by the filing of the Articles.
3. Member shall mean and refer to every person who holds membership in the Association.
4. Properties shall mean and refer to all real property which becomes subject to the Declaration together with such other real property as may hereafter be annexed thereto under the provisions of the Declaration.
5. Declaration shall mean and refer to the instrument entitled " Declaration of Restrictive Covenants and Conditions, of Mesa Hills Subdivision Units 1, 2 and 3 and such other properties as may be developed by Mesa Hills Development, Inc., a Utah corporation in the same general area of the Mesa Hills Planned Community. The Restrictive Covenants and Conditions of Mesa Hills Dusbdivison Unit 1 recorded October 23, 1990, Book 422, pages 614-636, Entry No. 302321; Unit 2 recorded May 4, 1992, Book 450, pages 460-489, Entry No. 315913; Unit 3 recorded April 28, 1993, Book 473, pages 589-610, Entry No. 326275.

6. Lot shall mean and refer to any of the separately numbered and individually described plot of land on the recorded Plat of the Development with the exception of the Common Areas. Upon recordation of any Supplementary Declaration for subsequent phases, Lot shall include such plots of land contained in such phases.

7. Common Areas shall mean and refer to those areas of land shown on any recorded Plat of the Properties and intended to be devoted to the common use and enjoyment of the Members.

8. Owner shall mean and refer to the person who is the owner of record (in the office of the County Recorder of Iron County, Utah) of a fee or an undivided fee interest in any Lot. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term Owner shall not mean or include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

9. Living Unit shall mean and refer to a structure on any Lot which is designed and intended for use and occupancy as a single-family residence, together with all improvements located on the Lot concerned which are used in connection with such residence.

10. Board of Trustees or the Board shall mean and refer to the Board of Trustees of the Association.

11. Development shall mean and refer to Mesa Hills Subdivision Units 1, 2 and 3 and such other properties as may be developed by Mesa Hills Development, Inc., a Utah corporation, in the same general area of the Mesa Hills Planned Community.

III. MEETINGS OF MEMBERS

1. Annual Meeting. The first annual meeting of the Members shall be held during the month of August, 1993, at the date and time set by the Board. Thereafter an annual meeting of the Members shall be held during the same month of each succeeding year. The purpose of the annual meeting shall be the election of the trustees and the transaction of such other business as may come before the Membership. If the election of trustees is not filled on the day designated herein for the annual meeting, the Board shall cause such election to be held at a special meeting of the Members as soon thereafter as is convenient.

2. Special Meetings. A special meeting of the Members for any purpose or purposes may be called by the President, by the Board, or upon written request of the Members holding one-fourth (1/4) of all of the votes.

3. Place of Meeting. The Board of Trustees may designate any place within Iron County, Utah, as the place for any annual meeting or for any special meeting called by the Board. If no designation is made the place of meeting shall be the registered office of the Association.

4. Notice of Meetings. 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 given to all Members at least ten but not more than thirty days prior to the meeting date. Such notice shall be deemed to have been properly furnished if mailed postage prepaid within the required time period to the person who appears as a Member, at the latest address for such person appearing in the records of the Association at the time of mailing.

5. Quorum. Except as otherwise provided in the Articles, in the Declaration, or by law, the members present in person or by proxy after proper notice of the meeting shall constitute a quorum at any meeting of the Members.

6. Proxies. At any meeting of the Members, a Member may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. All proxies shall be filed with the secretary of the Association before or at the time of the meeting. Unless otherwise provided therein, no proxy shall be valid after eleven months from the date of its execution.

7. Cumulative Voting. At each election for trustees, the vote attributable to a Lot may be accumulated by the Member or Members and entitled to half of the same by giving one candidate as many votes as the number of the Trustees to be elected multiplied by the number of votes concerned shall equal, or by distributing the total votes so determined among any number of candidates. A plurality shall be sufficient for the election of a candidate.

8. Necessary Vote. Except as concerns the election of trustees and except with respect to those proposals which under the Articles, under the Declaration, or by law require a greater proportion for adoption, the affirmative vote of a majority of all those which members present in person or represented by proxy are entitled to cast at a meeting shall be sufficient for the adoption of any matter voted on by the Members.

IV. BOARD OF TRUSTEES

1. Number, Tenure and Qualifications. The affairs of the Association shall be managed by a Board of Trustees composed of three (3) individuals. The Trustees shall serve two (2) year terms, except that of the Trustees initially elected, one shall only serve for one year. That Trustee's successor shall serve for two (2) years. Any change in the number of Trustees may be made only by amendment of the Articles. Each Trustee shall hold office until his term expires and until his successor has been duly elected and qualifies.

2. Compensation. The Board may provide by resolution that the Trustees shall be paid their expenses, if any, by attendance at each meeting of the Board. Trustees shall not be paid any salary or other compensation for their services as Trustees and shall not receive directly or indirectly any other profit or pecuniary advantage by virtue of their status as Trustees.

3. 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 the written approval of all the Trustees. Any action so taken shall have the same effect as though taken at a meeting of the Trustees.

V. POWERS AND DUTIES OF THE BOARD OF TRUSTEES

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

(a) adopt and publish rules and regulations governing the use of the common Areas, and personal conduct of the Members and their guests thereon, and establish penalties for the infractions thereof;

(b) suspend the voting rights and the rights to use Common Areas and recreational facilities of a Member during a 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 after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) exercise for the Association the powers, duties, and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles, or the Declaration;

(d) declare the office of a member of the Board of Trustees to be vacant in the event such member shall be absent from four consecutive regular meetings of the Board of Trustees without cause; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

2. Duties. It shall be the duty of the Board of Trustees to:

(a) 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 of the Members who are entitled to vote;

(b) supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the monthly assessment against each Lot and to send written notice of such assessment to every Owner subject thereto as provided in the Declaration;

(2) pursue reasonable collection against any Member or the lien against said Member's Lot when assessments are not paid within thirty (30) days after due date.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability, hazard and other insurance on property owned by the Association as required by the insurance provisions of the Declaration;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Areas to be maintained, and also, if an Owner of any Lot shall fail to maintain his Lot and the Living Unit located thereon in a manner satisfactory to the Architectural Control Committee and/or the Board of Trustees, the Association, after approval by two-third vote of the Board, shall have the right, through its agents or employees, or through an independent contractor, to enter upon his Lot and to repair, maintain and restore the Lot and the exterior of the Living Unit and any other improvements erected thereon.

(h) carry out the duties specified in the Declaration.

VI. NOMINATION AND ELECTION OF TRUSTEES

1. Nomination. Nomination for election to the Board of Trustees shall be made from the floor at the annual meeting.

2. Election. Elections to the Board of Trustees shall be made by secret written 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 the Articles.

VII. MEETING OF TRUSTEES

1. Regular Meetings. A regular meeting of the Board of Trustees shall be held without notice other than this section immediately after, and at the same place as, the annual meeting of the Members. The Board of Trustees may provide by resolution the time and any place within the State of Utah or the holding of additional regular meetings without notice other than such resolution.

2. Special Meetings. Special meetings of the Board of Trustees may be called by or at the requests of the president or any trustee. The person or persons calling a special meeting of the Board may fix any place within the State of Utah as the place for holding such meeting.

3. Notice. Written or printed notice stating the place, day, and hour of any special meeting of the Board shall be given to all directors at least three days prior to the meeting date. Such notice shall be deemed to have been properly furnished if mailed, postage prepaid, at least three (3) business days before the meeting date to each Trustee at his address. Attendance of a Trustee at any meeting shall constitute a waiver of notice of such meeting unless the trustee attends for the express purpose of objecting to the transaction of any business because the meeting is not properly called or convened. Neither the business to be transacted at nor the purpose of any meeting need be specified in the notice thereof.

4. Quorum. A majority of the Trustees then in office shall constitute a quorum for the transaction of business at any meeting of the Board. The act of a majority of the Trustees at a meeting at which a quorum is present shall constitute the act of the Board of Trustees unless the act of a greater number is required by law.

5. Vacancies. Any vacancy on the Board may be filled by the affirmative vote of a majority of the remaining Trustees, even though such remaining Trustees constitute less than a quorum. A Trustee thus selected to fill a vacancy shall serve for the unexpired term of his predecessor in the office.

VIII. ARCHITECTURAL CONTROL COMMITTEE

1. Number, Composition, and Function. The Board of Trustees shall appoint a five-member committee the function of which is to enforce and administer the provisions of the Declaration relating to control of improvements and landscaping within the property. The committee need not be composed of Members. Members of the committee shall hold office at

the pleasure of the Board. If such a committee is not appointed, the Board itself shall perform the duties required of the committee.

2. Manner of Acting. The act, concurrence, or determination of any two or more committee members, whether such act, concurrence, or determination occurs at a meeting, without a meeting, at the same time, or at different times, shall constitute the act or determination of the committee.

3. Compensation. The Board of Trustees may provide by resolution that members of the committee shall be paid specified and reasonable compensation for their services as committee members.

4. No Liability for Damages. The committee shall not be held liable for damages by reason of any action, inaction, approval, or disapproval by it with respect to any request made pursuant to the Declaration.

IX. OFFICERS

1. Number and Qualifications. The Officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer. Any two (2) or more offices, other than the office of President and Secretary, may be held by the same person. Officers need not be Members of the Association.

2. Tenure. The Officers of the Association shall be elected by the Board of Trustees annually at the first meeting of the Board held after the annual meeting of the Members. If election of Officers does not occur at such meeting, it shall be held as soon thereafter as is convenient. Each Officer shall hold office until his successor has been duly elected and qualifies or until he is removed. Any Officer may be removed by the Board whenever in its judgment the best interests of the Association would be served thereby.

3. Vacancies. A vacancy in office resulting from death, resignation, removal, or any other cause shall be filled by the Board of Trustees for the unexpired portion of the term of the person previously in office.

4. President. The President shall be the principal executive Officer of the Association and, subject to the control of the Board of Trustees, shall exercise general supervision and control over all of the property and affairs of the Association. The President shall, when present, preside at all meetings of the Members and of the Board of Trustees. If the President is not present then the Vice President shall preside. Except in cases where the signing and execution thereof is expressly delegated by the Board of Trustees or by these Articles to some other Officer or agent of the Association or where required by law to be otherwise signed or executed, the President, together with the Secretary or any other Officer of the Association authorized by the Board of Trustees may sign any deeds, mortgages, contracts,

or other instruments which the Board of Directors has properly authorized to be executed. The President shall, in general, perform all duties incident to the office of President and such other duties as may from time to time be prescribed by the Board of Trustees.

5. Vice President. In the absence of the President or in the event of his death, inability, or refusal to act, the Vice President shall perform all of the duties of the President. When so acting, he shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall perform such duties as may from time to time be assigned to him by the President or by the Board of Trustees.

6. Secretary. The Secretary shall keep minutes of meetings of the Members and of the Board of Trustees in one or more books provided for that purpose, shall see that all notices are given in accordance with the provisions of these Articles, the Declaration, and law, shall maintain the membership list required by these Articles, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may from time to time be assigned to him by the President or by the Board of Trustees.

7. Treasurer. The Treasurer shall have the custody of and shall be responsible for all funds of the Association, shall receive and give receipts for money due and payable to the Association, shall deposit all such money in the name of the Association in such banks, trust companies, or other depositories as are selected by the Board, shall perform all accounting, financial record-keeping, and similar services which may be necessary or desirable in connection with the Association's affairs, and, in general, perform all duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him by the President or by the Board of Trustees.

8. Compensation. Officers shall not be paid any salary or other compensation for their services as such and shall not receive directly or indirectly any other profit or pecuniary advantage by virtue of their services as Officers.

X. ASSESSMENTS

1. As more fully provided in the Declaration, each Member is obligated to pay to the Association monthly and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made, provided, however, that such lien shall be subordinate to the lien of any first mortgage. Any assessment which is not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 18% per annum together with a late payment service charge equal to five percent (5%) of each delinquency, and the Association may bring an action at law against the Owner personally obligated to pay the

same or foreclose the lien against the Lot, and interest, late payment service fee, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

XI. AMENDMENTS

1. These Bylaws may be amended, at any regular or a special meeting of the Board of Trustees, by a vote of the majority of the Board of Trustees.

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

XII. MISCELLANEOUS

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

IN WITNESS WHEREOF, we, being all of the initial Trustees of the Mesa Hills Subdivision (Units 1, 2 and 3) Homeowners Association, Inc., have hereunto set our hands this 18th day of August, 1993.

Barry Church
BARRY CHURCH

Myron Armstrong
MYRON ARMSTRONG

David R. Carter
DAVID CARTER

FIRST AMENDMENT TO BYLAWS

OF

MESA HILLS SUBDIVISION (UNITS 1,2,& 3) HOMEOWNERS ASSOCIATION, INC.

PLAYGROUND AND LIABILITY

Section 1 Park: Mesa Hills Homeowners Association [which when referred to herein includes all of its officers, directors and agents] may maintain a park and recreation area on property located in the Mesa Hills Subdivision and more particularly described as follows:

Beginning at the Northeast Corner of Lot 68, Legacy Park Subdivision Phase II (at Mesa Hills), thence S 87°01'00" E. 96.43 feet to a point of curve, thence around the arc of a curve to the right with a radius of 25.00 feet a distance of 37.97 feet (the chord of said curve bears S. 43°30'30" E. 34.42 feet, thence SOUTH along the West Line of Legacy Park Avenue 100.40 feet, thence S. 89°11'17" W. 120.01 feet to the Southeast corner of Lot 68, Legacy Park Subdivision Phase II (at Mesa Hills), thence NORTH 132.08 feet to the point of beginning and containing 0.350 acre of land.

Section 2. Equipment: Mesa Hills Homeowners Association may install and maintain certain playground equipment for children, a partially covered pavilion with tables and a barbecue grill for picnics and gatherings inside the park and recreation area.

Section 3. Maintenance: Mesa Hills Homeowners Association shall pay for the purchase, maintenance and upkeep of the above-described equipment and grounds, and the cost thereof shall be part of the budget of the Association.

Section 4. Liability: Each Homeowner that uses the park and recreation area or allows any member of their family or guest to use the park or recreation area expressly agrees and manifests their intent to be bound by the terms and conditions of this Amendment to the Mesa Hills Bylaws and specifically to the present Section. Mesa Hills Homeowners Association shall not be liable for any damages arising from personal injuries sustained by any Homeowner; any member of any Homeowner's family or household; any guest of any Homeowner; or anyone using the above described park and equipment by permission of any Homeowner, while using or on the above described park and equipment. Each Homeowner that uses the park or any of the equipment thereon or allows any family member or guest to use the park or equipment, releases for themselves and all using with their permission, the Mesa Hills Homeowners Association from any and all claims related in any way to said use and agree to indemnify, defend and hold the Mesa Hills Homeowners Association harmless from and against any such claims.

IN WITNESS WHEREOF, the foregoing Bylaws were adopted and approved by the Board of Trustees at their meeting duly called and held on the _____ day of 12/10, 1997.


Secretary

SECOND AMENDMENT TO BYLAWS
OF
MESA HILLS SUBDIVISION (UNITS 1,2,&3)
HOMEOWNERS ASSOCIATION, INC.

BOARD OF TRUSTEES

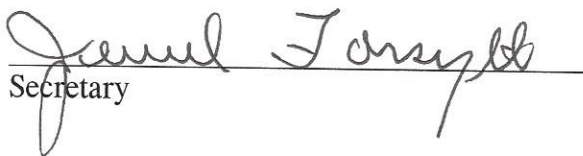
Section 1 Number, Tenure and Qualifications: The affairs of the Association shall be managed by a Board of Trustees composed of five (5) individuals. The Trustees shall serve for two (2) year terms, except that of the Trustees initially elected, two (2) shall only serve for one (1) year. The Successor Trustees shall then serve for two (2) year terms. Any change in the number of Trustees may be made only by amendment of the Articles. Each Trustee shall hold office until his/her term expires and until his/her successor has been duly elected and qualifies.

Section 2 Compensation: The Board may provide, by resolution, that the Trustees may be paid their expenses, if any, by attendance at each meeting of the Board. Trustees shall not be paid any salary or other compensation for their services and shall not receive, directly or indirectly, any other profit or pecuniary advantage by virtue of their status as Trustees.

Section 3 Action Taken Without Meeting: That Trustees shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all Trustees. Any action so taken shall have the same effect as though taken at a meeting of the Trustees.

IN WITNESS WHEREOF, the foregoing Bylaws were adopted and approved by the Board of Trustees at its meeting duly called and held on the 10 day of Dec, 1997.

ATTEST:


Secretary

THIRD AMENDMENT TO BYLAWS

OF

**MESA HILLS SUBDIVISION (UNITS 1,2,&3)
HOMEOWNERS ASSOCIATION, INC.**

MEETINGS OF MEMBERS

Section 1 Annual Meeting: The annual meeting of the members shall be held in the third quarter of each fiscal year and notice thereof shall be provided to the members as set forth herein. The purpose of the annual meeting shall be the election of the trustees and the transaction of such other business as may come before the membership. The election of trustees is not filled on the day designated herein for the annual meeting, the Board shall cause such election to be held at a special meeting of the members as soon thereafter as is convenient.

IN WITNESS WHEREOF, the foregoing Bylaws were adopted and approved by the Board of Trustees at its meeting duly called and held on the 10 day of Dec, 1997.

ATTEST:

Janel Long
Secretary