

BY-LAWS
OF
CIRCLE L ESTATES OWNER'S ASSOCIATION INCORPORATED

ARTICLE I.
NAME OF ASSOCIATION & PURPOSE

The name of this non-profit corporation is Circle L Estates Owner's Association, Inc. The registered office of the corporation shall be located at 1595 Hoytsville Road, Coalville, Utah 84017, but meetings of members and directors may be held at such places within the State of Utah, County of Summit, or telephonically, as may be designated by the Board of Directors.

These By-Laws operate as restrictive covenants on each Lot described herein. By purchasing a Lot, each Member agrees to be bound by these By-Laws.

ARTICLE II.
DEFINITIONS

Section 1: "Act" shall mean the Utah Revised Nonprofit Corporation Act, *Utah Code Ann. § 16-6a-101 et seq.*

Section 2: "Association" shall mean and refer to Circle L Estates Home Owner's Association, Incorporated.

Section 3: "Properties" shall mean and refer to the Lots described herein and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4: "Common Area" shall mean all real property owned or used by the Association for the common use of the Owners, including roadways, right of ways, easements for ingress and egress, easements for utilities, and the like.

Section 5: "Lot" shall mean one of the following parcels of real property represented by the following tax identification numbers and as more fully described and recorded with the Summit County Recorder:

NS-133-A

NS-133-C

NS-133-D

NS-133-E

NS-133-F

Section 6: "Owner" shall mean the record title owner(s) of a Lot as reflected in the records of the Summit County Recorder.

Section 7: "Developer" shall mean Circle L Estates Home Owner's Association, Inc., and/or Clifford Lawrence.

Section 8: "Member" shall mean the Owner of a Lot. Where there is more than one Owner of a Lot, the co-owners together shall be one Member, and shall cast only one vote

pursuant to these guidelines.

**ARTICLE III.
MEETING OF MEMBERS**

Section 1 - Annual Meetings: The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the second Monday of June of each calendar year thereafter, at the hour of 6 o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2 - Special Meetings: Special meetings of the members may be called at any time by the president or by any two (2) members of the Board of Directors, or upon written request of the members who are entitled to vote one fourth (1/4) of all of the votes.

Section 3 - Notice of Meetings: Written notice of each meeting of the members shall be given by, or at the direction of the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's last address appearing on the books of the Association, or supplied in writing by such member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of meeting, and the purpose or agenda of the meeting.

Section 4 - Quorum: A quorum shall consist of the number of votes of members present at the meeting.

Section 5 - Proxies: At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot or interest therein.

Section 6: The members may take action without a meeting to the full extent permitted by § 16-6a-707 of the Utah Code.

**ARTICLE IV.
BOARD OF DIRECTORS**

Section 1: The affairs of this Association shall be managed by a Board of three (3) Directors.

Section 2: Developer, its successor or assigns shall have the exclusive right to appoint and remove all Directors until all of the Lots have been sold. Directors selected may, but need not, be members of the Association.

Section 3: After all of the Lots have been sold, the members shall elect the Board of Directors as provided in Articles V and VI of these By-Laws. Directors elected by the members must also be members of the Association.

**ARTICLE V.
BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE**

Section 1 - Term of Office: At the first annual members' meeting after the sale of

all of the Lots, the members shall elect one (1) Director for a term of two (2) years and two (2) Directors for a term of one (1) year. At each annual meeting thereafter, the members shall elect Directors to fill terms then expiring.

Section 2 - Removal and Vacancy: Any Director elected by the members or appointed by elected Directors may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of a vacancy on the Board for any reason, his successor shall be selected by the remaining elected Directors and shall serve for the un-expired term of his predecessor.

Section 3 - Compensation: Directors shall receive compensation for actual expenses incurred in the performance of their duties.

ARTICLE VI.

NOMINATION AND ELECTION OF DIRECTORS

Section 1 - Nomination: Nomination for election to the Board of Directors shall be made by the Members. Nominations may be made from the floor at the annual meeting or in any other reasonable fashion.

Section 2 - Election: Election to the Board of Directors shall be 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 of Incorporation. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII.

MEETINGS OF DIRECTORS

Section 1 - Regular Meetings: Regular meetings of the Board of Directors shall be held at least quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2 - Special Meetings: Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.

Section 3 - Quorum: A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4 - Action Taken Without a Meeting: The Board of Directors may take action without a meeting to the full extent permitted by § 16-6a-813 of the Utah Code.

ARTICLE VIII.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1 - Powers: The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing architectural guidelines, fences, the cleanliness, maintenance, landscaping of personal lots, the use and maintenance of the common easements, and the personal conduct of the members,

their guests thereon, and invitees, and to establish penalties for the infraction thereof.

(b) Suspend the voting rights by any member or owner for any period during which such member or owner is delinquent in the payment of any assessment levied by the Association or is in violation of any provisions of these Bylaws or of any rule or regulation of the Association. Furthermore, after ten (10) days written notice specifying the default and the date of a hearing by the Board of Directors, the Board shall have the power on majority vote to suspend all or any part of the delinquent member's rights to vote so long as such member or owner continues in such default, and for an additional period not to exceed sixty (60) days after such default is remedied or discontinued.

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association by other provisions of these By-Laws and the Articles of Incorporation.

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

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

Section 2 - Rules: It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs, including agreements, transactions, and finances.

(b) After all of the Lots have been sold, to present an annual financial statement 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.

(c) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

(d) Make and collect assessments for common utilities, services, and expenses.

(e) Issue, or to cause an appropriate officer to issue, upon demand by a member, 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.

(1) Procure and maintain adequate liability and hazard insurance on property used by the Association.

(g) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate. Cause the common area to be maintained in a clean, safe, and attractive manner.

(h) Cause the owners of the Lots to maintain the exterior of the dwellings, and the yards around the dwellings, in a clean, safe and attractive manner, and in compliance with these Bylaws.

(i) To generally enforce all provisions of the Articles and Bylaws as they apply to Owners of Lots and the use and maintenance thereof.

Section 3: The Board of Directors shall bear the right and responsibility to enforce the provisions of these Bylaws with respects to the rights and privileges of the Association and each member thereof. The provisions of this paragraph do not impair the rights of any individual member to enforce the provisions of the Bylaws with respects to such member to the extent permitted by the Bylaws.

ARTICLE IX. OFFICERS AND THEIR DUTIES

Section 1 - Enumeration of Offices: The officers of this Association shall be a President, a Secretary, and a Treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time, by resolution, create.

Section 2 - Election of Officers: The election of officers shall take place at the annual meeting of the Board of Directors following each annual meeting of the members.

Section 3 - Term: The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4 - Resignation and Removal: Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect 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 5 - Vacancies: A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer so replaced.

Section 6 - Multiple Offices: The offices of Secretary and Treasurer may not be held by the same person. No person shall simultaneously hold more than one of any of the other offices.

Section 7 - Duties: The duties of the officers are as follows:

(a) President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; except as may otherwise from time to time be provided by the Board of Directors the President shall sign all checks.

(b) Treasurer: The Treasurer shall open and maintain accounts at such banks or financial institutions as directed by the Board, receive and deposit in said accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

(c) Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other

duties as required by the Board. The Secretary shall monitor and report the usage of electricity to power the pump and water well distribution system and the telephone charges for gate access such that the Treasurer can make payment for the same.

**ARTICLE X.
COMMITTEES**

The Association may appoint, on an ad-hoc basis, an Architectural and Building Committee. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose.

**ARTICLE XI.
BOOKS AND RECORDS**

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member according to the Utah Non-Profit Corporation Act, as revised. The Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the registered office of the Association where copies may be purchased at reasonable cost.

**ARTICLE XII.
ASSESSMENTS**

Each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Assessments shall be charged at the rate of \$0.25 cents per Sq Ft of finished dwelling space per lot. The Association can vote to change the assessment after funds held by the Association exceed \$30,000.00.

**ARTICLE XIII.
CORPORATE SEAL**

The Association shall have a seal in circular form having within its circumference the words: Circle L Estates Home Owners Association.

**ARTICLE XIV.
INDEMNIFICATION**

The Association shall and does hereby indemnify and hold harmless (each person and his or her heirs and administrators) who shall serve at any time as a Director, Officer, and/or employee of the Association to the fullest extent allowable under Utah law from and against any and all claims, judgments, and liabilities to which such persons shall become subject, by reason of his or her having heretofore or hereafter been a Director, Officer, and/or employee of the Association or by reason of any action alleged to have been heretofore or hereafter taken or omitted to have been taken by him as such Director, Officer, and/or employee and shall reimburse any such person for all legal and other expenses reasonably incurred by him in connection with any such claim or liability. This indemnification does not apply to intentional, malicious or willful acts or omissions of the Director and/or employee. It is the intent hereof that the Directors, Officers, or employees be and are hereby indemnified to the fullest extent

permitted by the laws of the State of Utah and these By-Laws.

**ARTICLE XV.
AMENDMENTS**

Section 1: Developer, its successor or assigns shall have the exclusive right to amend these By-Laws until all of the Lots have been sold by Developer.

Section 2: After all of the Lots have been sold, these By-Laws may be amended, revised, or revoked at any regular or special meeting of the members, by a majority vote of the quorum of membership present in person or by proxy. If there is any conflict between these By-Laws and the Act with regard to voting rights and amendments, the Act shall control.

Section 3: In the case of any conflict between the Articles of Incorporation and these By-Laws, the By-Laws shall control.

**ARTICLE XVI.
ARCHITECTURAL GUIDELINES & PROPERTY USE**

Architectural Drawings of all improvements, including homes and outbuildings, shall be submitted to the Architectural Committee (or the President, if there is no such Committee) for approval. All proposed building must, at minimum, meet the following standards:

1. All proposed construction must meet applicable building codes.
2. Homes must have a minimum of 3,000 square feet of finished dwelling space.
3. To the extent possible, homes built on Lots should not obstruct the view of other homes on Lots. This is to insure that homes do not distract from the existing spirit of the development.

Property Use:

1. It is expressly prohibited to collect any debris and garbage including lawn maintenance materials, in view of any common use road.
2. It is expressly prohibited to park vehicles, boats, motor homes, trailers on common use space.
3. It is expressly prohibited to park trailers, motor homes, recreational vehicles, boats, and the like on personal driveways on Lots for more than a 3 day period.
4. There may be erected on any Lot one pad that can be used for the purpose of parking trailers, motor homes, recreational vehicles, boats, and the like for long term storage, as long as such pad is placed .

**ARTICLE XVII
WATER**

Cullinary Water shall be supplied to each Lot from the well and delivery system located on Lot NS-133-C, and along the roads and easements within the Association. The Owner of each Lot shall obtain all necessary water rights before connecting to and using water.

**ARTICLE XVIII
MISCELLANEOUS**

Section 1 - Fiscal Year: The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year except that the first fiscal year shall begin on the date of incorporation.

Section 2- Notice to Owners: Any notice required to be given to the Owners shall be deemed given upon sending of the notice by first-class mail to the Owner's address shown on the Association's records or provided to the Association in writing by the Owner.

ACKNOWLEDGMENT OF REGISTERED AGENT

The undersigned hereby acknowledges his/her appointment as registered agent in the above and foregoing By-Laws of Circle L Estates Home Owner's Association, Incorporated.

Dated this 27 day of September, 2007.

CIRCLE L ESTATES HOME OWNER'S ASSOCIATION

Lesley Lawrence
Lesley Lawrence

[Signature]
NOTARY PUBLIC

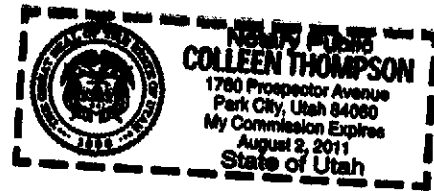


EXHIBIT A Parcel NS-133-C

S 9 T 1 N R 5 E THAT PORTION OF THE NW 1/4 NE 1/4 OF SEC 9, T1NR5E, SLBM LYING E OF HWY 189;
(LESS 0.35 AC M/L 472-210 NS-129-C)(LESS 2.38 AC M/L 709-794 NS-133-D)
(LESS 1.89 AC 709-796 NS-133-F)(LESS 3.37 AC 709-798 NS-133-E)
(LESS 1.73 AC 709-800 NS-133-A) BAL 17.19 ACRES
(REM DESC WRITTEN FOR ASSESSMENT PURPOSES) (SEE QUIET TITLE 467-369)
524-645 552-479-663-354

EXHIBIT B Parcel NS-133-A

S 9 T 1 N R 5 E BEG AT A PT WH IS W 1320 FT; S 89*29'30" W 769.57 FT; & S 10*07' W 615.85 FT ALG THE E'LY R/W LINE OF US HWY 189 FR THENE COR OF SEC 9, T1NR5E, SLBM; & RUN TH N 10*07'E 139.05 FT ALG SD E'LY R/W LINE TO A PT ON A 43.63 FT RAD CUR TO THE L; TH NE'LY 58.23 FT ALG THE ARC OF SD CUR (CHORD BEARS N 61*46'51"E 54.00 FT) TO THE PT OF TANGENCY; TH N 23*33'E 104.37 FT TO THE PT OF CURVATURE OF A 217.70 FT RAD CUR TO THE RIGHT; TH NE'LY 106.58 FT ALG THE ARC OF SD CUR (CHORD BEARS N 37*34'30" E 105.52 FT) TO THE PT OF COMPOUND CURVATURE WITH A 55.00 FT RAD CUR TO THE RIGHT; TH E'LY 73.91 FT ALG THE ARC OF SD CUR (CHORD BEARS S 89*54'E 68.48 FT) TO THE PT OF TANGENCY; TH S 51*24'E 12.00 FT TO THE PT OF CURVATURE OF A 75.00 FT RAD CUR TO THE RIGHT; TH SE'LY 40.80 FT ALG THE ARC OF SD CURVE (CHORD BEARS S 35*49'E 40.30 FT) TO THE PT OF TANGENCY; TH S 20*14'E 18.84 FT TO THE PT OF CURVATURE OF A 150.00 FT RAD CUR TO THE LEFT; TH SE'LY 69.38 FT ALG THE ARC OF SD CUR (CHORD BEARS S 33*29'E 68.76 FT); TH S 72*48'E 186.83 FT; TH S 17*12'W 124.00 FT; TH N 72*48'W 107.00 FT; TH N 52*27'W 201.18 FT; TH S 26* 56'W 106.16 FT; TH S 19*54'W 140.00 FT; TH N 79*53'W 110.00 FT TO THE PT OF BEG CONT 1.73 ACRES (SEE QUIET TITLE JUDGEMENT 467-369)
431-8 484-382 524-651-2
552-479 553-354 709-800 946-386 947-251258-256-265

EXHIBIT C Parcel NS-133-E

S 9 T 1 N R 5 E BEG AT A PT WH IS W 1320 FT; S 89*29'30" W 769.57 FT; & S 10*07' W 615.85 FT ALG THE E'LY R/W LINE OF US HWY 189 FROM THENE COR OF SEC 9, T1NR5E, SLBM; & RUN TH S 79* 53'E 110.00 FT; TH N 19*54'E 140.00 FT; TH N 26*56'E 106.16 FT; TH S 52*27' E 201.18 FT TO A PT ON A 1140.93 FT RAD CUR TO THE RIGHT; TH SW'LY 166.39 FT ALG TH ARC OF SD CUR (CHORD BEARS S 25*13'20" W 166.24 FT) TO THE PT OF TANGENCY; TH S 29*24'W 110.00 FT TO THE PT OF CURVATURE OF A 144.00 FT RAD CUR TO THE LEFT; TH 174.17 FT ALG TH ARC OF SD CUR (CHORD BEARS S 05*15'E

163.75 FT) TO THE PT OF TANGENCY; TH S 39° 54'E 94.23 FT; TH N 88°44' W 383.57 FT TO THE E'LY R/W LINE OF US HWY 189; TH N 10°07'E 394.88 FT ALG SD E'LY R/W LINE TO THE PT OF BEG CONT 3.37 ACRES 489-573 552-475 553-354 709-790-792-798

EXHIBIT D Parcel NS-133-F

S 9 T 1 N R 5 E BEG AT A PT WH IS W 1320 FT; S 89°29'30" W 769.57 FT; & S 10°07' W 1010.73 FT ALONG THE E'LY R/W LINE OF US HWY 189 FROM THE NE COR OF SEC 9 T 1 N R 5 E SLBM; & RUN TH S 88°44' E 383.57 FT; TH S 39°54' E 5.68 FT TO THE PT OF CURVATURE OF A 71.00 FT RAD CUR TO THE RIGHT; TH SE'LY 62.58 FT ALONG THE ARC OF SD CUR (CHORD BEARS S 14°39' E 60.57 FT) TO THE PT OF TANGENCY; TH S 10°36' W 98.00 FT TO THE PT OF CURVATURE OF A 60.00 FT RAD CUR TO THE LEFT; TH S'LY 22.21 FT ALONG THE ARC OF SD CUR (CHORD BEARS S 00°00'08" E 22.08 FT); TH S 78°22' W 210.27 FT; TH N 71°24' W 218.88 FT TO THE E'LY R/W LINE OF US HWY 189; TH N 10°07' E 165.00 FT ALONG SD E'LY R/W LINE TO THE PT OF BEG CONT 1.89 AC 489-673 524-647-649 552-479 709-790-792-796 771-312 (REF: 788-508) 788-521 1645-1591

EXHIBIT E Parcel NS-133-D

S 9 T 1 N R 5 E BEG AT A PT WH IS W 1320 FT; S 00°20' E 1360.59 FT & W 453.03 FT FROM THE NE COR OF SEC 9 T 1 N R 5 E SLBM; & RUN TH W 565.97 FT TO THE E'LY R/W LINE OF US HWY 189; TH N 10°07' E 199.39 FT ALONG SD E'LY R/W LINE; TH S 71°24' E 218.88 FT; TH N 78°22' E 210.27 FT TO A PT ON A 60.00 FT RAD CUR TO THE RIGHT; TH N'LY 22.21 FT ALONG THE ARC OF SD CUR (CHORD BEARS N 00°00'08" W 22.08 FT) TO THE PT OF TANGENCY; TH N 10°36' E 98.00 FT TO THE PT OF CURVATURE OF A 71.00 FT RAD CUR TO THE LEFT; TH N'LY 18.92 FT ALONG THE ARC OF SD CUR (CHORD BEARS N 02°58' E 18.86 FT) TO A PT ON A 24.14 FT RAD CUR TO THE LEFT; TH NE'LY 33.03 FT ALONG THE ARC OF SD CUR (CHORD BEARS N 46°08' E 30.51 FT) TO THE PT OF TANGENCY; TH N 06°56' E 151.22 FT TO THE PT OF CURVATURE OF A 73.00 FT RAD CUR TO THE RIGHT; TH NE'LY 137.07 FT ALONG THE ARC OF SD CUR (CHORD BEARS N 60°43'30" E 117.80 FT) TO THE PT OF TANGENCY; TH S 65°29' E 34.00 FT TO THE PT OF CURVATURE OF A 57.00 FT RAD CUR TO THE RIGHT; TH SE'LY 95.64 FT ALONG THE ARC OF SD CUR (CHORD BEARS S 17°25' E 84.81 FT) TO THE PT OF TANGENCY; TH S 30°39' W 78.00 FT TO THE PT OF CURVATURE OF A 300.00 FT RAD CUR TO THE LEFT; TH SW'LY 94.86 FT ALONG THE ARC OF SD CUR (CHORD BEARS S 21°35'30" W 94.46 FT) TO THE PT OF TANGENCY; TH S 12°32' W 121.00 FT; TH S 166.90 FT TO THE PT OF BEG CONT 3.13 AC (LESS 0.75 AC IN CONFLICT WITH NS-129-C472-210) BAL 2.38 AC (SEE QUIET TITLE 467-369) 487-176489-671 453-354 552-477 709-790-794 1378-534