

**BYLAWS
OF
THE SOMERSET VILLAGE, INC.**

Pursuant to the provisions of the Utah Revised Nonprofit Corporation Act, the undersigned incorporator of THE SOMERSET VILLAGE, INC., a Utah non-profit corporation, hereby adopts the following bylaws for such non-profit corporation. The administration of THE SOMERSET VILLAGE, INC. (the AAssociation@) shall be governed by the Declaration of Covenants, Conditions and Restrictions of Somerset Village Gated Community (the ADeclaration@), the Articles of Incorporation (the AArticles@) and these Bylaws.

1. Application of Bylaws. All present and future Owners, Mortgagees, lessees and occupants of any Lot and their employees, and any other persons who may use the facilities or the Project in any manner, are subject to the Declaration, these Bylaws and all rules made pursuant hereto and any amendments hereof. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Lot shall constitute an agreement that the provisions of the Declaration and these Bylaws and any rules and regulations made pursuant hereto, as they may be amended from time to time, are accepted, ratified and will be complied with. Certain capitalized terms in these Bylaws shall be defined in accordance with the definition for such terms set forth in the Declaration.

2. Board of Trustees.

2.1 Except for the initial Board of Trustees appointed by Section 2.3 of these Bylaws, the management and maintenance of the Project and the administration of the affairs of the Association shall be conducted by a Board of Trustees consisting of not less than three (3) nor more than seven (7) natural persons, a majority of whom shall be Owners, the exact number to be determined in accordance with the provisions of these Bylaws.

2.2 The initial members of the Board of Trustees shall be as stated herein below. Thereafter, beginning with the first annual meeting of the Association at which members of the Board of Trustees are to be elected by the Owners, and at every annual meeting thereafter, the Association shall elect the members of the Board of Trustees to fill those positions becoming vacant at such meeting. Prior to the annual meeting of the Association, the Board of Trustees shall elect from the Owners a nominating committee of not less than two (2) members, none of whom shall be members of the then Board of Trustees. The nominating committee shall recommend to the Association at least one nominee for each position on the Board of Trustees to be filled at that particular annual meeting. Nominations for positions on the Board of Trustees may also be made by petition filed with the Secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by three (3) or more Owners and signed by the nominee named therein indicating his willingness to serve as a member of the Board of Trustees, if elected.

2.3 Voting for the Board of Trustees shall be by secret written ballot. Each Owner shall be entitled to cast one vote for each Lot owned multiplied by the number of Board of Trustees seats to be filled. Each Owner may cumulate his votes and cast all of them in favor of a single candidate, or distribute his votes on the same principle among as many candidates as the Owner sees fit. Notwithstanding the foregoing limitations, until the first meeting of the Association, the members of the Board of Trustees and the Officers of the Association shall be the persons named by the Association=s incorporator.

2.4 Members of the Board of Trustees shall serve for terms of two (2) years beginning immediately upon their election by the Association; provided, however, that a majority of the members of the Board of Trustees first elected by the Association shall serve for an initial term of one (1) year and the balance shall serve for initial terms of two (2) years. Thereafter, all members of the Board of Trustees elected shall serve for two-year terms. The members of the Board shall serve until their respective successors are elected, or until their death, resignation or removal. Any member of the Board of Trustees who fails to attend three consecutive Board meetings or fails to attend at least 25% of the Board meetings held during any fiscal year shall be deemed to have tendered his resignation, and upon acceptance by the Board of Trustees his position shall be vacant.

2.5 Any member of the Board of Trustees may resign at any time by giving written notice to the President of the Association or to the remaining Board members. Any member of the Board of Trustees may be removed from membership on the Board by a two-thirds majority vote of the Association; provided, however, unless the entire Board of Trustees is removed from office by the vote of members of the Association, no individual Board member shall be removed prior to the expiration of his term of office if the votes cast against removal would be sufficient to elect such Board member if voted cumulatively at an election at which the same total number of votes were cast and the entire Board of Trustees was being elected.

2.6 If vacancies shall occur in the Board of Trustees by reason of the forfeiture, death or resignation of a Board member, or if the authorized number of Board members shall be increased, the Board members then in office shall continue to act, and such vacancies or newly created Board seats shall be filled by a vote of the Board members then in office, though less than a quorum. Any vacancy in the Board of Trustees occurring by reason of removal of a Board member by the Association may be filled by election at the meeting at which such Board member is removed or any subsequent regular or special meeting of the Association. A vacancy resulting from a removal shall only be filled by the vote or written consent of a majority of the voting power of the Association residing in Owners other than the Project developer, DOS AMIGOS, LC (the ADeclarant@).

2.7 The members of the Board of Trustees shall receive no compensation for their services unless expressly approved by the vote or written assent of a majority of the voting

power residing in Owners other than Declarant; provided, however, that members of the Board of Trustees shall be reimbursed by the Association for transportation expenses actually incurred and a reasonable per diem payment for attendance at regular and special meetings of the Board of Trustees. Any member of the Board may be employed by the Association in another capacity and receive compensation for such employment; provided further, that such employment shall be approved by vote or in writing by all members of the Board of Trustees not including the member to be employed.

2.8 The Board of Trustees, for the benefit of the Project and the Association, shall manage the business, property and affairs of the Project and the Association and enforce the provisions of the Declaration, these Bylaws and the rules and regulations governing the Project. The Board of Trustees is authorized to adopt rules and regulations governing the use and operation of the Project, which shall become effective 30 days after adoption by the Board. The Board of Trustees shall have the powers, duties and responsibilities with respect to the Project as contained in the Declaration and these Bylaws.

2.9 The meetings of the Board of Trustees shall be held at least semi-annually at such times and places within the Project, or some other reasonable and suitable location in Utah County, as the Board shall determine. A majority of the Board of Trustees shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Board. The Board of Trustees shall annually elect all of the officers of the Association. The election of officers shall be conducted at the first meeting of the Board of Trustees immediately following the annual meeting of the Association.

2.10 Written notice of the time and place of Board of Trustees meetings shall be posted at a prominent place or places within the Project.

2.11 Special meetings of the Board of Trustees may be called by written notice signed by any two members of the Board. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Special meetings shall be held within the Project or some other reasonable location in Utah County unless a meeting at another location would significantly reduce the cost to the Association and/or inconvenience to the members of the Board of Trustees. Written notice of any special meeting shall be posted in a manner prescribed for notice of regular meetings of the Board and shall be sent to all members of the Board of Trustees not less than 15 days prior to the scheduled time of the meeting; provided, however, that notice of such meeting need not be given to any member signing a waiver of notice or a written consent to the holding of such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail, with first-class postage thereon prepaid. If an agenda is prepared for a special meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

2.12 Notices of all regular Board of Trustees meetings shall be given in writing to each member of the Board of Trustees not less than 30 days prior to the meeting, provided

that this requirement shall not apply to any member of the Board of Trustees who has signed a waiver of notice or a written consent to the holding of a meeting.

2.13 A majority of the then authorized number of Board members shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. The Board members shall act only as a Board, and individual Board members shall have no powers as such. Regular and special meetings of the Board of Trustees shall be open to all members of the Association; provided, however, that the Association members who are not on the Board of Trustees may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. The Board of Trustees may, with the approval of a majority of its members, adjourn the meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and other business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

2.14 Any action that is required or permitted to be taken at a meeting of the Board of Trustees may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Board members, and an explanation of the action so taken is posted at a prominent place or places within the Project within three (3) days after the written consent of all Board members has been obtained.

2.15 After the Association's election of the members of its first Board of Trustees, Declarant shall execute, acknowledge and record an affidavit stating the names of the members of the newly elected Board of Trustees. Thereafter, any two (2) persons who are designated of record as being members of the most recent Board of Trustees, whether or not they shall still be members, may execute, acknowledge and record an affidavit stating the names of all of the members of the then current Board of Trustees. The most recently recorded of such affidavits shall be prima facie evidence that the persons named therein are all of the incumbent members of the Board of Trustees and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

2.16 The fiscal year shall be determined by the Board of Trustees.

3. Meetings of the Association.

3.1 The first meeting of the Association shall be held within one year after the closing of the sale of the first Lot sold in the Project. Thereafter, there shall be an annual meeting of the Association on the Monday following the Anniversary date of the first meeting at the Project or some reasonable location in Utah County, Utah, at 7:00 p.m. or at such other reasonable time not more than sixty (60) days before or after such date as may be designated by written notice by the Board of Trustees delivered to the Owners by first-class mail not less than thirty (30) nor more than ninety (90) days prior to the date set for said

meeting. A list of business to be considered at the annual meeting shall be sent to the Owners by first-class mail not less than thirty (30) nor more than ninety (90) days prior to the meeting date. The list shall include the name, address and a brief biographical sketch if available of each member of the Association who has announced his or her intention to stand for election to the Board of Trustees. At or prior to an annual meeting, the Board of Trustees shall furnish to the Owners (i) a budget for the coming fiscal year which shall itemize the estimated Program Expenses for the coming fiscal year with the estimated allocation thereof to each Owner; and (ii) a statement of the Program Expenses itemizing receipts and disbursements for the previous fiscal year, together with the allocation thereof to each Owner. Within ten (10) days after the annual meeting, the budget and the statement of Program Expenses shall be delivered to the Owners who were not present at the annual meeting.

3.2 Special meetings of the Association may be held at any time at such reasonable place as may be designated by the Board of Trustees to consider matters which, by the terms of the Declaration, require the approval of all or some of the Owners or for any other reasonable purpose. Special meetings shall be called by written notice signed by a majority of the Board of Trustees or by Owners other than Declarant representing at least ten percent (10%) or more of the Lots in the Project, which shall be sent by first-class mail to all Owners not less than thirty (30) nor more than ninety (90) days prior to the date fixed for said meeting. Such notice shall specify the place, day and hour of the meeting and a brief statement of the matters which the Board of Trustees intends to present for action by the members.

3.3 Except as otherwise provided below, the Owners present in person or represented by proxy (notwithstanding the percentage of the Owners so represented), at any meeting of the Owners properly called under the terms and conditions of these Bylaws, shall constitute a quorum. However, with respect to any meeting called for the purpose of taking any action authorized under Sections 3, 4 or 5 of Article IV of the Declaration (relating to assessments), the presence at the meeting in person or by proxy of Owners holding 51% of the Lots in the Project shall constitute a quorum. In the absence of a quorum at an Association meeting, a majority of those present in person or by proxy may adjourn the meeting to another time but may not transact any other business. An adjournment for lack of a quorum by those in attendance shall be to a date not less than thirty (30) days from the original meeting date. The required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such meeting shall be held more than sixty (60) days following the preceding meeting. If a time and place for the subsequent meeting is not fixed by those in attendance at the original meeting or if for any reason a date for the subsequent meeting is fixed after adjournment of the previous meeting, notice of the time and place of the subsequent meeting shall be given to Owners in the manner prescribed in Section 3.1 hereof for regular meetings. Unless otherwise expressly provided in the Declaration and these Bylaws, any action may be taken at any meeting of the Owners at which a quorum is present if the number of votes for such action exceeds the number of

votes against such proposed action. Class A Members of the Association (i.e., Owners other than Declarant) who are present at the meeting (in person or represented by proxy) shall be entitled to one vote for each Lot owned. Class B Members of the Association (i.e., the Declarant) shall be entitled to three votes for each Lot owned.

3.4 Robert's Rules of order (latest edition) shall govern the conduct of the Association's meeting when not in conflict with the Declaration or these Bylaws.

3.5 Any action that may be taken at any regular or special meeting of the Association may be taken without a meeting if the following requirements are met:

3.5.1 A written ballot is distributed to every Owner entitled to vote setting forth the proposed action, providing an opportunity to signify approval or disapproval of the proposal and providing a reasonable time for the Owner to return the ballot to the Association.

3.5.2 The number of votes cast by ballot within the specified time under Subparagraph 3.5.1 equals or exceeds the quorum required to be present at a meeting authorizing the action.

3.5.3 The number of approvals of the action equals or exceeds the number of votes required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot.

3.5.4 The written ballot distributed to Owners affords an opportunity for the Owner to specify a choice between approval and disapproval of each order of business proposed to be acted upon by the Association and further provides that the vote of the Owners shall be cast in accordance with the choice specified.

3.6 At each meeting of the Owners, each Owner entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Owner himself or by his attorney thereunto duly authorized in writing. The instrument authorizing the proxy to act shall meet the requirements set forth in Subparagraph 3.5.4 above and shall indicate the name of the secretary of the Association, or such other officer or person or who may be acting as the secretary at the meeting to whom the proxy is to be given for the purpose of casting the vote to reflect the absent Owner's vote as specified in the form of proxy. If a Lot is jointly held, the instrument authorizing a proxy to act must have been executed by all Owners of such Lot or their attorneys thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

3.7 Minutes of the annual and special meetings of the Association shall be available to each member within sixty (60) days after the meeting.

4. Officers.

4.1 All officers and employees of the Association shall serve at the will of the Board of Trustees. The officers shall be a President, Secretary and Treasurer. The offices of Secretary and Treasurer may be combined in the discretion of the Board of Trustees. The Board of Trustees may appoint Vice Presidents and such other assistant officers as the Board of Trustees may deem necessary. No officer shall be required to be an Owner. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Board of Trustees and may be removed and replaced by the Board. The Board of Trustees may, in its discretion, require that officers (and other employees of the Association) be subject to fidelity bond coverage.

4.2 The President shall be the chief executive of the Board of Trustees and shall preside at all meetings of the Association and of the Board and may exercise the power ordinarily allowable to the presiding officer of an association, including the appointment of committees. The President shall exercise general supervision over the Project and its affairs. He shall sign on behalf of the Association all contracts of material importance to its business. He shall do and perform all acts which the Board of Trustees may require.

4.3 The Vice President shall perform the functions of the President in his absence or inability to serve.

4.4 The Secretary shall keep minutes of all proceedings of the Board of Trustees and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Owners and the Board of Trustees.

4.5 The Treasurer shall be responsible for the fiscal affairs of the Association, but may delegate the daily handling of funds and the keeping of records to the Manager.

5. Program Expenses; Assessments.

5.1 All assessments shall be made in accordance with the general provisions of Article IV of the Declaration.

5.2 At the annual meeting of the Association, the Board of Trustees shall distribute the estimated Program Expenses, which shall include capital contributions, for the coming fiscal year. The estimated capital contributions may include both capital repair and replacement costs and reserves therefor, as well as such amounts as the Board may deem proper for general working capital and for the general operating reserve, and shall take into

account any expected income, surplus or deficit in the Program Expenses for any prior year. The estimated Program Expenses shall be assessed on a quarterly or annual basis, at the election of the Board of Trustees, to the Owners in accordance with their Allocable Shares. If the estimated Program Expenses prove inadequate for any reason, including nonpayment of any Owner's assessments, the Board of Trustees may, by resolution duly adopted, make additional assessments, which shall be assessed to the Owners in the same manner as the estimated Program Expenses. Each Owner shall be obligated to pay assessments made pursuant to this paragraph to the Board of Trustees on or before the first day of the assessment period if assessed on a quarterly basis, or, if assessed on an annual basis, by the earlier of the first day of use of his Membership Interest or February 28. The funds received by the Board of Trustees from assessments shall be kept in capital accounts or in the Program Expense fund and shall be expended by the Board of Trustees only in accordance with the provisions of the Declaration and these Bylaws.

5.3 The failure by the Board of Trustees before the expiration of any fiscal year to estimate the Program Expenses as required herein shall not be deemed a waiver or modification in any respect of the provisions of the Declaration or these Bylaws or a release of the Owners from the obligation to pay any past or future assessments, and the estimated Program Expenses fixed for the previous and current year shall continue until a new estimate is made.

5.4 No Owner may exempt himself from liability for Program Expenses by waiver of the use or enjoyment of his Lot.

5.5 The Treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the Project, specifying and itemizing the maintenance, repair and replacement expenses of the Project and any other expenses incurred. Such records shall be available for examination by the Owners during regular business hours. In accordance with the actions of the Board of Trustees in assessing Program Expenses against the Lots and Owners, the Treasurer shall keep an accurate record of such assessments and of the payments thereof by each Owner.

5.6 All assessments shall be a separate, distinct and personal liability of the Owner at the time each assessment is made. The Board of Trustees shall have the rights and remedies contained in the Declaration to enforce the collection of assessments.

5.7 Any person who shall have entered into a written agreement to purchase a Lot shall be entitled to obtain a written statement from the Treasurer setting forth the amount of unpaid assessments charged against the Lot and its Owners, and if such statement does not reveal the full amount of the unpaid assessments as of the date it is rendered, the purchaser shall not be liable for the payment of an amount in excess of the unpaid assessments shown thereon, provided that the former Owner shall remain so liable. Any such excess which cannot be promptly collected from the former Owner-grantor shall be reassessed by the

Board of Trustees as a Program Expense to be collected from all Owners, including without limitation the purchaser of the Lot, his successors and assigns. The new Owner shall, and the former Owner shall not, be liable for any assessments made after the date of transfer of title of a Lot, even though the Program Expenses and such other expenses incurred or the advances made by the Board of Trustees for which the assessment is made relate in whole or in part to any period prior to that date.

5.8 In addition to the statements issuable to purchasers of a Lot, the Board of Trustees shall, upon ten (10) days' prior written request therefor, provide to the Owner, to any person who shall have entered into a binding agreement to purchase the Lot and to any Mortgagee on request at reasonable intervals a current statement of unpaid assessments for Program Expenses and for any expenses of and advances by the Board with respect to the Lot. The Board of Trustees is authorized to require a reasonable fee for furnishing such statements.

5.9 In all cases where all or part of any assessments for Program Expenses and for any expenses of and advances by the Board of Trustees cannot be promptly collected from the persons or entities liable therefor under the Declaration or these Bylaws, the Board shall reassess the same as a Program Expense without prejudice to its right of collection against such persons or entities, or without prejudice to its lien for such assessments.

6. Litigation.

6.1 If any action is brought by a member of the Board of Trustees on behalf of the Association, the expenses of suit, including reasonable attorneys' fees, shall be a Program Expense. If any action is brought against the Owners or against the Board of Trustees or the officers, employees or agents thereof in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Owners, the expenses of suit, including attorneys' fees, shall be a Program Expense. If any action is brought against one or more, but less than all Owners, with the result that the ultimate liability would, if proved, be borne solely by such Owners, the expenses of suit, including attorneys' fees, shall not be charged to or borne by the other Owners, as a Program Expense or otherwise.

6.2 Any action brought against the Association, the Board of Trustees or the officers, employees or agents thereof, in their respective capacities as such, or the Project as a whole, shall be directed to the Board of Trustees, which shall promptly give written notice thereof to the Owners and any Mortgagees and shall be defended by the Board; and the Owners and Mortgagees shall have no right to participate in such defense other than through the Board of Trustees. Actions against one or more, but less than all Owners, shall be directed to such Owners, who shall promptly give written notice thereof to the Board of Trustees and to the Mortgagees, and shall be defended by such Owners.

7. Abatement and Enjoinment of Violations by Owners.

7.1 The violation of any rules or regulations adopted by the Board of Trustees, the breach of any provision contained herein or the breach of any provision of the Declaration shall give the Board of Trustees the right, in addition to any other rights set forth in these Bylaws:

7.1.1 To enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner or Owners, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Trustees shall not thereby be deemed guilty in any manner of trespass; and/or

7.1.2 To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

7.2 These remedies are cumulative to other remedies provided in the Declaration and these Bylaws or in any other applicable laws.

8. Amendment of Bylaws. Except as otherwise provided in the Declaration or these Bylaws, the Bylaws may be amended by a vote of Owners holding a majority of the Total Votes of the Association residing in the Owners and a majority of the Total Votes of the Association residing in Owners other than Declarant, present in person or by proxy at a meeting duly called for such purpose. Provided, however, the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. Upon such an affirmative vote, the Board of Trustees shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote of the Owners and the amendment shall be effective upon recording.

9. Conflict with Articles or Bylaws. In the event of any conflict or inconsistency between the provisions of these Bylaws and the provisions of the Articles of Organization or the Declaration (as the Articles or the Declaration may from time to time be amended), the provisions of the Articles or the Declaration shall control.

10. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

11. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of these Bylaws nor the intent of any provision hereof.

12. Effective Date. These Bylaws shall take effect upon recording of the Declaration of which they are a part.

13. Seal. The Board of Trustees may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation and the words "Corporate Seal."