

BYLAWS
OF
THE FROSTWOOD MASTER OWNERS ASSOCIATION, INC.

Executed September 20, 2000

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BYLAWS
OF
THE FROSTWOOD MASTER OWNERS ASSOCIATION, INC.

ARTICLE I
NAME, PRINCIPAL OFFICE, AND DEFINITIONS

Section 1.1 Name. The name of the Master Association shall be The Frostwood Master Owners Association, Inc., hereinafter the "Master Association".

Section 1.2 Principal Office. The principal office of the Master Association shall be located at 3652 Brighton Point Drive, Salt Lake City, Utah 84121.

Section 1.3 Definitions. These Bylaws shall operate under the Utah Nonprofit Corporation and Co-operative Association Act, as amended (the "Act"). The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in Article I of the Master Declaration of Covenants, Conditions, Easements and Restrictions for Frostwood, a Planned Community, Recorded in the official records of Summit County, Utah, (the "Master Declaration") unless the context indicates otherwise.

ARTICLE II
MASTER ASSOCIATION: MEMBERSHIP, VOTING AND MEETINGS

Section 2.1 Members. The Master Association shall have two classes of Membership: Class A Members and Class B Members. Each Parcel Developer of a Parcel prior to the Transfer Date defined in Section 2.2.1 below, and thereafter the Parcel Association for that Parcel, shall be a Class A Member of the Master Association. The Declarant or Declarant Affiliates shall be Class B Members in the Master Association for so long as the Declarant or Declarant Affiliate owns any Assessable Property in Frostwood until the Class B Termination Date described in Section 2.2.2 below.

Section 2.2 Voting. Each Member shall be entitled to the following voting rights, calculated based on the Membership type (Class A or Class B) and Square Feet of Maximum Gross Building Area assigned to the Parcel owned by or affiliated with that Member pursuant to the Governing Documents:

2.2.1 Class A Members. Each Class A Member is assigned one (1) vote per Square Foot of Maximum Gross Building Area assigned to its respective Parcel by the Governing Documents, subject to the authority of the

Board to suspend the voting rights of the Member for violations of the Master Declaration in accordance with the provisions thereof. For convenience, the Maximum Gross Building Areas for each Parcel are set forth below. Until such time as management and control of a Parcel is transferred to a Parcel Association pursuant to a Recorded agreement creating or implementing a condominium, fractional interest, club, subdivision, planned community or other ownership regime ("Transfer Date"), the Parcel Developer or his or her agent shall have the right to vote all votes attributable to the entire Square Feet of the Maximum Gross Building Area for its respective Parcel at the annual meeting. From and after the Transfer Date for each Parcel, the President of each Parcel Association, or his or her agent, shall cast all of the votes to which such Parcel Association is entitled at the annual meeting, which President, or agent thereof, shall be entitled to attend any meetings of the Master Association. The votes of each Class A Member may be cast in total or split within the discretion of the Parcel Developer or the Parcel Association, as the case may be. Pursuant to the Governing Documents, and subject to Declarant's unilateral right to transfer Square Feet between and among Parcels as set forth in Section 2.1 of the Master Declaration, the maximum number of Class A votes assigned to each respective Parcel following Declarant's conveyance of Record title to a Parcel to a Parcel Developer shall be as follows:

- 2.2.1.1 Parcel F1 shall be entitled to 210,000 votes.
- 2.2.1.2 Parcel F2-A shall be entitled to 266,000 votes.
- 2.2.1.3 Parcel F2-B shall be entitled to 72,000 votes.
- 2.2.1.4 Parcel F3-A shall be entitled to 104,000 votes.
- 2.2.1.5 Parcel F3-B shall be entitled to 20,000 votes.
- 2.2.1.6 Parcel F4 shall be entitled to 48,000 votes.
- 2.2.1.7 Parcel F5 shall be entitled to 87,500 votes.
- 2.2.1.8 Parcel F6 shall be entitled to 50,000 votes.

2.2.2 Class B Members. Declarant and Declarant Affiliates shall be Class B Members of the Master Association and shall be entitled to three (3) votes for each Square Foot of Maximum Gross Building Area assigned to each Parcel owned by Declarant or Declarant Affiliate. Class B Members shall convert to Class A Members with respect to each Parcel owned by Declarant or a Declarant Affiliate upon the earlier to occur of (i) the Transfer Date for that Parcel, or (ii) the date Declarant or Declarant Affiliate shall transfer such Parcel to a Parcel Developer or other Person

other than Declarant or a Declarant Affiliate, or (iii) when the Declarant, in its sole and exclusive discretion, so determines ("Class B Conversion Date"). Class B Membership shall be considered "terminated" under the Master Declaration on the Class B Termination Date, as such term is defined in Section 1.15 of the Master Declaration.

Section 2.3 Exercise of Voting Rights. The vote for each Lot, Unit or Improvement owned within a Parcel shall be exercised by the Parcel Developer prior to the Transfer Date, and thereafter by the Parcel Association as provided in Section 2.2.1. The Parcel Developer or the Parcel Association, as the case may be, may cast all votes assigned to such Parcel as determined by the Parcel Developer, or in accordance with the respective Parcel Association's governing documents.

Section 2.4 Membership and Ownership Rights. Each Member and each Owner shall have the respective rights, duties and obligations set forth in the Master Declaration and such other rights, duties and obligations as are set forth in the Governing Documents, as the same may be amended from time to time.

Section 2.5 Transfer Fee. Subject to the Board's sole and exclusive discretion, each purchaser of a Parcel, Lot, Unit or Improvement may be subject to a transfer fee payable to the Master Association immediately upon becoming the Owner of the Parcel, Lot, Unit or Improvement in such amount as is established from time to time by the Board, to reimburse the Master Association for costs incurred by the Master Association in connection with transfer of title to such new Owner; provided that no such transfer fee shall be payable with respect to (i) the creation of any Mortgage, (ii) in connection with any foreclosure of a First Mortgage, (iii) the exercise of a power of sale available under a First Mortgage, (iv) the taking of a Deed or assignment in lieu of a foreclosure by a First Mortgagee or (v) the conveyance by a First Mortgagee of a Deed in respect of a Parcel, Lot, Unit, Residential Structure or Improvement, or part thereof or interest therein, to a grantee if such First Mortgagee shall have obtained title to such Parcel, Lot, Unit, Residential Structure or Improvement, or part thereof or interest therein, pursuant to subclause (ii), (iii) or (iv) above.

Section 2.6 Annual Meeting. The first meeting of the Master Association shall be held within one year after the creation of the Master Association. Thereafter, there shall be an annual meeting of the Master Association on the first Thursday of each November at 6:00 p.m. at a reasonable place at Frostwood, or some other reasonable location in Summit County unless a meeting at another location would significantly reduce the cost to the Master Association and/or inconvenience to the Members, 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. Notice of the annual meeting shall be delivered to the Members postage prepaid at least ten (10) days prior to the date set for said meeting and shall specify the place, day and hour of the meeting and a brief statement of the matters on the agenda which the Board intends to present or believes others will present for action by the Members. Such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears on the records of the Master Association or to any other mailing

address designated in writing by the Member. Written notice of the time, day, and place of regular Member meetings shall be posted at a prominent place or places within Frostwood.

Section 2.7 Special Meetings. Special meetings of the Master Association may be called by the President, a majority of the Board, or Members representing at least twenty-five percent (25%) or more of the votes of the total Class A votes of the Master Association. Special meetings may be held at a reasonable place at Frostwood, or some other reasonable location in Summit County unless a meeting at another location would significantly reduce the cost to the Master Association and/or inconvenience to the Members, to consider matters which, by the terms of these Bylaws, require the approval of all or some of the Members or for any other reasonable purpose. Notice of the special meeting shall be hand delivered or sent prepaid by United States mail, at least ten (10) days prior to the date fixed for said meeting, to each Member at such Member's address as shown in the records of the Master Association or to any other mailing address designated in writing by the Member. Such notice shall specify the place, day and hour of the meeting and a brief statement of the items on the agenda, including the general nature of any proposed amendment to these Bylaws, any budgetary changes and any proposal to remove an officer or Trustee. Written notice of the time, day, and place of special Member meetings shall be posted at a prominent place or places within Frostwood.

Section 2.8 Waiver of Notice. Waiver of notice of a regular or special meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at any meeting also shall be deemed waiver of notice of all business transacted unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

Section 2.9 Quorum and Adjournment. The presence in person of Members representing a majority of the total votes in the Master Association at any meeting of the Master Association held in response to notice to all Members of record properly given shall constitute a quorum. In the absence of a quorum at a Master Association meeting, a majority of those present in person 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 five (5) nor more than thirty (30) days from the original meeting date. The quorum for an adjourned meeting shall be ten percent (10%) of the votes of the Master Association. If the time and place for an adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meetings of the Master Association.

Section 2.10 Business. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the

withdrawal of enough to leave less than a quorum, provided that Members representing at least twenty-five percent (25%) of the total Class A votes in the Master Association remain in attendance, and provided that any action taken is approved by at least a majority of the votes required to constitute a quorum.

Section 2.11 Proxies. Members may not vote by proxy but only in person or through their designated alternates.

Section 2.12 Conduct of Meetings. The President shall preside over all meetings of the Master Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting. Robert's Rules of order (latest edition) shall govern the conduct of the Master Association's meeting when not in conflict with these Bylaws.

Section 2.13 Minutes. Minutes of the annual and special meetings of the Master Association shall be distributed to each Member within sixty (60) days after the meeting.

Section 2.14 Action Without Meeting. Any action required or permitted by the Act to be taken at a meeting of the Members may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by all of the Members entitled to vote with respect to the subject matter thereof. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated and delivered to the Master Association at its principal place of business. Such consents shall be filed with the minutes of the Master Association, and shall have the same force and effect as a unanimous vote of the Members.

Section 2.15 Majority Vote. As used in these Bylaws, the term "majority" shall mean those votes, Members, or other groups as the context may indicate totaling more than fifty percent (50%) of the total eligible number. The vote of a majority of the Members present in person at a meeting at which a quorum shall be present shall be binding upon all Members for all purposes except where a higher percentage vote is required in the Master Declaration, these Bylaws, the Act or by other applicable Utah law.

ARTICLE III BOARD OF Trustees

Section 3.1 Relationship of Associations. The Master Association shall govern Frostwood and shall do such things as are within its powers and as may reasonably be required to maintain Frostwood and its Common Elements as an attractive and desirable planned community. As described in Article II above, the Members of the Master Association shall be Declarant and each Parcel Association. Except as otherwise provided, a separate Parcel Association shall be formed for each Parcel. No Parcel Association shall be formed for either Parcel F7 or the Golf Course Parcel, and the Owner of Parcel F7 and the Golf Course Owner

shall *not* be Members of the Master Association and shall *not* have any voting or Membership rights. Subject to the Declarant's sole and exclusive subjective discretion, the same Parcel Association may be formed for Parcel F2-A and Parcel F2-B, and the same Parcel Association may be formed for Parcel F3-A and Parcel F3-B. The duties and powers of the Master Association shall relate to Frostwood as a whole, while the duties and powers of a particular Parcel Association shall relate only to its particular Parcel.

Section 3.2 Number and Powers. The affairs of the Master Association shall be conducted by a Board of up to nine (9) Trustees (odd numbered totals only) and such officers as the Board may elect or appoint in accordance with the Articles and these Bylaws as the same may be amended from time to time. The initial Board shall be composed of at least three (3) Trustees. The Board may also appoint various committees and appoint a Manager who shall, subject to the direction of the Board, be responsible for the day-to-day operation of the Master Association. The Board shall determine the compensation to be paid to the Manager. The Board's responsibilities shall include, but shall not be limited to, the following:

- 3.2.1 administration, including administrative support as required for the Frostwood Design Review Committee;
- 3.2.2 preparing and administering an operational budget;
- 3.2.3 establishing and administering an adequate reserve fund;
- 3.2.4 scheduling and conducting the annual meeting and other meetings of the Members;
- 3.2.5 collecting and enforcing the Assessments;
- 3.2.6 accounting functions and maintaining records;
- 3.2.7 promulgation and enforcement of the Frostwood Rules and the Frostwood Design Guidelines;
- 3.2.8 maintenance of the Common Elements; and
- 3.2.9 all the other duties imposed upon the Board pursuant to the Governing Documents, including enforcement thereof.

The Board shall not, however, be responsible for those duties and areas of operation specifically designated under the Governing Documents as the responsibility of the SPA Design Review Committee.

Section 3.3 Composition. Each Parcel Association shall have the perpetual right to appoint one member to serve on the Board. Each Trustee shall have the same number of votes

as assigned to the Parcel the Trustee represents. Except with respect to Trustees appointed by the Declarant, the Trustees shall be Members. Any officer, Trustee, member, partner or trust officer of such Member shall be eligible to serve as a Trustee unless otherwise specified by written notice to the Master Association signed by the President of the Parcel Association; provided, no Member may have more than one such representative on the Board at a time, except in the case of Trustees appointed by the Declarant. Subject to the minimum number of Trustees required by Section 3.2 above, the same Trustee may vote for and represent two or more Parcel Associations to the extent that the respective Parcels are owned by the same Person.

Section 3.4 Trustees During Declarant Control Period. Subject to the provisions of Section 3.5 below, the first Board shall be appointed by the Declarant, acting in its sole and subjective discretion, and shall serve at the pleasure of the Declarant until the Class B Termination Date, at which time an election of all the members of the Board shall be conducted.

Section 3.5 Election and Term of Office. Notwithstanding any other provision of these Bylaws:

3.5.1 Within thirty (30) days after the time that Class A Members own thirty-three percent (33%) of the total number of Square Feet of Maximum Gross Building Areas allocated to all Parcels, or whenever the Declarant earlier determines, the President shall call a special meeting at which Members representing the Class A Members shall be entitled to elect one (1) of the three (3) Trustees, who shall be an at-large Trustee. The remaining two (2) Trustees shall be appointees of the Declarant. The Trustee elected by the Members shall not be subject to removal by the Class B Member and shall be elected for a term of two (2) years or until the happening of the event described in subsection 3.6.2 below, whichever is shorter. If such trustee's term expires prior to the happening of the event described in subsection 3.6.2 below, a successor shall be elected for a like term.

3.5.2 Within thirty (30) days after the time that Class A Members own sixty-six percent (66%) of the total number of Square Feet of Maximum Gross Building Areas allocated to all Parcels, or whenever the Declarant earlier determines, the President shall call a special meeting at which Members representing the Class A Members shall be entitled to elect two (2) of the three (3) Trustees, who shall serve as at-large Trustees. The remaining Trustee shall be an appointee of the Declarant. The Trustee elected by the Members shall not be subject to removal by the Class B Member and shall be elected for a term of two (2) years or until the happening of the event described in subsection 3.6.3 below, whichever is shorter. If such Trustees' terms expire prior to the happening of the event described in subsection 3.6.3 below, successors shall be elected for a like term.

3.5.3 At the first annual meeting of the Members after the termination of the Class B Memberships, the Board shall be increased to nine (9) Trustees who shall be selected as follows: Eight (8) Trustees shall be elected by the Members representing the Class A Members, with an equal number of Trustees elected by each Parcel Association and any remaining trusteeships filled at large by the vote of all Members. Four (4) Trustees shall serve a term of two (2) years and four (4) Trustees shall serve a term of one (1) year, as such Trustees determine among themselves. Upon the expiration of each trustee's term of office, the Members entitled to elect such Trustee shall be entitled to elect a successor to serve a term of two (2) years.

3.5.4 Prior to the Class B Termination Date, the Declarant shall be entitled to appoint one Trustee. After the Class B Termination Date, the Trustee elected by the Declarant shall resign and the remaining Trustees shall be entitled to appoint a Trustee to serve the unexpired portion of the term. Thereafter, the Members shall be entitled to elect a successor to fill the at-large Trustee position.

3.5.5 Each Member shall vote on separate slates with respect to each vacancy to be filled for election of the Trustees to represent them on the Board and to cast the total number of votes assigned to their respective Parcel. There shall be no cumulative voting. The candidate(s) receiving the most votes shall be elected. The Trustees elected by the Members shall hold office until their respective successors have been elected. Trustees may be elected to serve any number of consecutive terms.

Section 3.6 Removal of Trustees and Vacancies. Any Trustee elected by the Members may be removed, with or without cause, by the vote of Members holding a majority of the votes entitled to be cast for the election of such Trustee. Any Trustee whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a Trustee, a successor shall be elected by the Members to fill the vacancy for the remainder of the term of such Trustee.

3.6.1 Any Trustee elected by the Members who has three (3) consecutive unexcused absences from Board meetings, or who is more than thirty (30) days delinquent in the payment of any Assessment or other charge due the Master Association, may be removed by a majority of the Trustees present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term.

3.6.2 In the event of the death, disability, or resignation of a Trustee, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Member entitled to fill such trusteeship may elect a successor for the remainder of the term. Any Trustee appointed by the Board shall be selected from among the Member(s) within the Parcel Association represented by the Trustee who vacated the position.

Section 3.7 Compensation. No Trustee shall receive any compensation from the Master Association for acting as such unless approved by Members representing a majority of the total Class A votes in the Master Association at a regular or special meeting. Any Trustee may be reimbursed by the Master Association for reasonable expenses for the trustee's attendance at the Board meetings, or any other expenses incurred on behalf of the Master Association upon approval of a majority of the other Trustees. Any Trustees may be employed by the Master 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 Trustees not including the Trustee to be employed.

Section 3.8 Regular Meetings. The Board meetings shall be held at least quarterly at such times and places within Frostwood, or some other reasonable and suitable location in Summit County, unless a meeting at another location would significantly reduce the cost to the Master Association and/or the inconvenience to the Trustees, as the Board shall determine. No notice shall be necessary to the newly elected Board in order to legally constitute such meeting, provided a majority of the Trustees are present. The Board may set a schedule of additional regular meetings by resolution, and no further notice is necessary to constitute regular meetings. Written notice of the time, day, and place of regular Board meetings shall be posted at a prominent place or places within Frostwood.

Section 3.9 Special Meetings. Special meetings of the Board may be called by written notice signed by any two Trustees. 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 Frostwood, or some other reasonable location in Summit County, unless a meeting at another location would significantly reduce the cost to the Master Association and/or inconvenience to the Trustees. Written notice of any special meeting shall be sent to all Trustees not less than seventy-two (72) hours prior to the scheduled time of the meeting; provided, however, that notice of such meeting need not be given to any Trustee 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 United States 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. Written notice of the time, day, and place of special Board meetings shall be posted at a prominent place or places within Frostwood.

Section 3.10 Waiver of Notice. The transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each of the Trustees not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any Trustee who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 3.11 Quorum, Voting and Adjournment. A majority of the Board 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. If less than a quorum is present at the meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice other than an announcement at the meeting, until a quorum shall be present. No Trustee may vote or act by proxy at any Board meeting.

Section 3.12 Open Meetings. The Trustees shall act only as a Board, and individual Trustees shall have no powers as such. Regular and special meetings of the Board shall be open to all Members of the Master Association. The Board may, with the approval of a majority of a quorum of its Trustees, adjourn the meeting and reconvene in executive session, excluding non-Members in attendance, to discuss and vote upon matters of a sensitive nature, such as personnel matters, litigation in which the Master Association is or may become involved, and similar orders of business.

Section 3.13 Action Without Meeting. Any action that is required or permitted to be taken at a Board meeting may be taken without a meeting if all of the Board or all members of a committee established for such purposes, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Master Association, and the number of the Trustees constitutes a quorum. Action taken pursuant to this Section 3.13 shall be a valid corporate action as though it had been authorized at a meeting of the Board or the committee, as the case may be. The Secretary shall file these consents with the minutes of the Board meetings.

Section 3.14 Telephonic Conference. Trustees or any committee thereof may participate in a meeting of the Board or committee by means of telephonic conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 3.15 Right of Declarant to Disapprove Actions. So long as the Class B Memberships exists, the Declarant shall have a right to disapprove any action, policy or program of the Master Association, the Board and any committee which, in the sole and exclusive judgment of the Declarant, would tend to impair rights of the Declarant or any Parcel Developer under the Master Declaration or these Bylaws, or interfere with development, construction of any portion of Frostwood, or diminish the level of services being provided by the Master Association. No such action, policy or program shall become effective or be implemented until and unless:

3.15.1 The Declarant shall have been given written notice of all meetings and proposed actions approved at meetings of the Master Association, the Board or any committee thereof by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Master Association, as it may change from time to time, which notice shall, except in the case of the regular meetings

held pursuant to the Bylaws, set forth in reasonable particularity the agenda to be followed at said meeting; and

3.15.2 The Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein. The Declarant, its representatives or agents shall make their concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Declarant shall have and is hereby granted an exclusive right to disapprove any such action, policy, or program authorized by the Master Association, the Board or any committee thereof, if the approval of the Board, any committee, or the Master Association is necessary for such action. This right may be exercised by the Declarant, its successors, assigns, representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provision thereof. This right to disapprove may be used to block proposed actions but shall not extend to the requiring of any action or counteraction on behalf of the Board, any committee or the Master Association. The Declarant shall not use its right to disapprove to reduce the level of services which the Master Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

Section 3.16 Fiscal Year. The fiscal year of the Master Association shall be set by resolution of the Board. In the absence of a Board resolution, the fiscal year shall be the calendar year.

ARTICLE IV OFFICERS

Section 4.1 Designation. The principal officers of the Master Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. The Board may appoint other officers as it finds necessary and such officers shall have the authority to perform the duties prescribed by the Board. Any two offices may be held by the same person, except the offices of President and Secretary. All officers must be members of the Board.

Section 4.2 Election and Term. The officers of the Master Association shall be elected annually by the Board at the organizational meeting of each new Board. They shall hold office at the pleasure of the Board.

Section 4.3 Removal and Vacancies. Upon the affirmative vote of a majority of the Board, any officer may be removed, either with or without cause. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled at any regular

meeting of the Board or at any special meeting of the Board called for that purpose for the unexpired portion of the term.

Section 4.4 President. The President shall be the chief executive officer of the Master Association. The President shall preside at all meetings of the Members and of the Board. The President shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Utah, including but not limited to the power to appoint committees from among the Members from time to time as the President may decide is appropriate to assist in the conduct of the affairs of the Master Association. The President may fulfill the role of treasurer in the absence of the treasurer. The President may cause to be prepared and may execute amendments, attested by the Secretary, to the Master Declaration and these Bylaws on behalf of the Master Association, following authorization or approval of the particular amendment as applicable.

Section 4.5 Vice President. The Vice President shall perform the functions of the President in his or her absence or inability to serve.

Section 4.6 Secretary. The Secretary shall keep the minutes of all meetings of the Members and the Board. The Secretary shall have charge of the Master Association's books and papers as the Board may direct and shall perform all the duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Utah. The Secretary may cause to be prepared and may attest to execution by the President of amendments to the Master Declaration and these Bylaws on behalf of the Master Association, following authorization or approval of the particular amendment as applicable.

Section 4.7 Treasurer. The Treasurer shall be responsible for the Master Association's funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Board and shall perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Utah. The Treasurer may endorse on behalf of the Master Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Master Association in banks designated by the Board. Except for reserve funds described below, the Treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Master Association, stock, securities or other investment instruments owned or controlled by the Master Association or as fiduciary for others. Reserve funds of the Master Association shall be deposited in segregated accounts or in prudent investments, as the Board decides. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the Treasurer, and executed by two (2) Trustees.

Section 4.8 Resignation. 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 the 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 4.9 Execution of Instruments. Except as otherwise provided in these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Master Association shall be executed by any officer of the Master Association or by any other person or persons designated by the Board.

Section 4.10 Statements of Unpaid Assessments. The Treasurer, Manager or, in their absence, any officer having access to the books and records of the Master Association may prepare, certify, and execute statements of unpaid Assessments. The Master Association may charge a reasonable fee for preparing statements of unpaid Assessments. The amount of this fee and the time of payment shall be established by resolution of the Board.

Section 4.11 Committees. The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

ARTICLE V FROSTWOOD DESIGN REVIEW COMMITTEE

Section 5.1 Purpose. In addition to the committees described in Section 4.11, the Board shall establish the Frostwood Design Review Committee. Prior to any review or approval by the Municipal Authority and/or the SPA Design Review Committee, the Frostwood Design Review Committee shall be the first to review, study and either approve, reject or request resubmittal of proposed developments and improvements to a Parcel, Lot, Unit or Improvement, all in compliance with the Master Declaration and as further set forth in the rules and regulations for the Frostwood Design Review Committee and the Frostwood Design Guidelines. Each Parcel Developer shall demonstrate to the Frostwood Design Review Committee that its Parcel Declaration, Plat and master land use plan have been approved by Declarant and that such items are in compliance with the Design Guidelines. The Frostwood Design Review Committee reserves the right, but not the obligation, to promulgate, enforce and interpret the Design Guidelines provided that the Frostwood Design Review Committee's determinations or functions do not contradict or supercede the Municipal Authority's and/or SPA Design Review Committee's duties and responsibilities as set forth in the Canyons SPA Documents.

Section 5.2 Membership. The Frostwood Design Review Committee shall be composed of individuals or entities as the Declarant may determine in its sole and exclusive discretion, who need not be Owners. So long as the Declarant owns any Parcel, Lot, Unit or Improvement or other property within Frostwood, the Frostwood Design Review Committee shall consist of three (3) regular members and one (1) alternate member, each of whom shall be appointed, removed and replaced by, and serve at the pleasure of, the Declarant in its sole

and exclusive discretion. At such time as the Declarant no longer owns any Parcel, Lot, Unit, Improvement or other property within the Project, the Frostwood Design Review Committee shall consist of such number of regular and alternate members as the Board may deem appropriate from time to time (but in no event less than three (3) nor more than seven (7) regular members, nor less than one (1) nor more than three (3) alternate members), each of whom shall be appointed by, and serve at the pleasure of, the Board. The Declarant may at any time voluntarily surrender in writing its right, as the Declarant, to appoint and remove the members of the Frostwood Design Review Committee pursuant to this Section, and in that event the Declarant may require, for so long as the Declarant owns any Parcel, Lot, Unit, Improvement or other property within the Project, that specified actions of the Frostwood Design Review Committee, as described in a Recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

Section 5.3 Organization and Operation of the Frostwood Design Review Committee.

5.3.1 Term. The term of office of each member of the Frostwood Design Review Committee shall be three (3) years, commencing January 1 of each year, and continuing until his or her successor is appointed, which terms shall be staggered as determined by the Board. Should a Frostwood Design Review Committee member die, retire, become incapacitated, or in the event of a temporary absence of a member, a successor may be appointed as provided in Section 5.2 above. The Declarant may remove any member of the Frostwood Design Review Committee at any time for any cause without notice.

5.3.2 Chairperson. So long as Declarant's Membership in the Master Association exists, the Declarant shall appoint the chairperson of the Frostwood Design Review Committee. Thereafter, the Board shall appoint the Frostwood Design Review Committee and the chairperson shall be elected annually from among the members of the Frostwood Design Review Committee by majority vote of said members.

5.3.3 Operations. The chairperson shall take charge of and conduct all meetings and shall provide for reasonable notice to each member of the Frostwood Design Review Committee prior to any meeting. The notice shall set forth the time and place of the meeting, and notice may be waived by any member. In the absence of a chairperson, the party responsible for appointing or electing the chairperson may appoint or elect a successor, or if the absence is temporary, a temporary successor.

5.3.4 Voting. The affirmative vote of a majority of the members of the Frostwood Design Review Committee shall govern its actions and be the act of the Frostwood Design Review Committee. A quorum shall consist of a majority of the members.

5.3.5 Expert Consultation. The Frostwood Design Review Committee may avail itself of technical and professional advice and consultants as it deems appropriate.

5.3.6 Parcel Associations. The Frostwood Design Review Committee may require that all plans and specifications first be approved by any Parcel Association having jurisdiction.

5.3.7 Powers. The Frostwood Design Review Committee shall have all the powers, responsibilities and purposes as established for the SPA Design Review Committee. Notwithstanding the forgoing, the Frostwood Design Review Committee shall always be subordinate to and shall not do anything in contradiction to the Master Declaration, these Bylaws, the Canyons SPA Documents or the Design Guidelines.

Section 5.4 Expenses. All expenses of the Frostwood Design Review Committee shall be paid by the Master Association, subject to the Declarant's or the Master Association's right to charge a reasonable design review fee to defray such expenses as provided for in Section 2.9 of the Declaration.

Section 5.5 Frostwood Design Guidelines and Rules. The Frostwood Design Review Committee shall adopt, establish, and publish from time to time the Frostwood Design Guidelines. The Frostwood Design Guidelines shall define and describe the design standards for Frostwood and the various uses within Frostwood and shall not contradict the purposes expressed in the Canyons SPA Documents. The Frostwood Design Guidelines may be modified or amended from time to time by the Frostwood Design Review Committee. The Frostwood Design Review Committee, in its sole discretion, may excuse compliance with such Frostwood Design Guidelines as are not necessary or appropriate in specific situations and may permit compliance with different or alternative requirements. Each Owner is responsible for obtaining all approvals, licenses, and permits as may be required prior to obtaining final approval of any Improvements from the Frostwood Design Review Committee and prior to commencing construction. The Frostwood Design Guidelines shall not be subject to modification or amendment by the Members. The Frostwood Design Guidelines shall be established solely by the Frostwood Design Review Committee and the Declarant.

Section 5.6 Procedures. As part of the Frostwood Design Guidelines, the Frostwood Design Review Committee shall make and publish such rules and regulations as it may deem appropriate to govern its proceedings. Appeals shall be conducted as provided herein.

Section 5.7 Limitation of Liability. The Frostwood Design Review Committee shall use reasonable judgment in approving or disapproving all plans and specifications submitted to it. Neither the Frostwood Design Review Committee, nor any individual Frostwood Design Review Committee member, shall be liable to any person for any official act of the Frostwood Design Review Committee in connection with submitted plans and specifications, except to the extent the Frostwood Design Review Committee or any individual Frostwood Design Review

Committee member acted with malice. Approval by the Frostwood Design Review Committee does not necessarily assure approval by the appropriate Municipal Authority or the SPA Design Review Committee. Notwithstanding that the Frostwood Design Review Committee has approved plans and specifications, neither the Frostwood Design Review Committee nor any of its members shall be responsible or liable to any Owner, Parcel Developer, other developer, or contractor with respect to any loss, liability, claim, or expense which may arise by reason of such approval of the construction of any Unit or Improvement. Neither the Board, the Frostwood Design Review Committee, or any agent thereof, nor Declarant, Declarant Affiliate, or any of Declarant's members, employees, agents, or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Governing Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events the Frostwood Design Review Committee shall be defended and indemnified by the Master Association in any such suit or proceeding which may arise by reason of the Frostwood Design Review Committee's decision. The Master Association, however, shall not be obligated to indemnify any member of the Frostwood Design Review Committee to the extent any such member of the Frostwood Design Review Committee shall be adjudged to be liable for gross negligence or willful misconduct in the performance of his or her duty as a member of the Frostwood Design Review Committee, unless and then only to the extent that the court in which such action or suit may be brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expense as such court shall deem proper.

ARTICLE VI ENFORCEMENT

Section 6.1 Master Association's General Rights of Enforcement of Provisions of This and Other Instruments. The Master Association, as the agent and representative of the Owners and Members shall have the right to enforce, by any proceeding at law or in equity, the Covenants set forth in the Master Declaration, these Bylaws, and/or any and all covenants, restrictions, reservations, charges, servitudes, assessments, conditions, liens or easements provided for in any contract, deed, declaration or other instrument which (i) shall have been executed pursuant to, or subject to, the provisions of the Master Declaration, or (ii) otherwise shall indicate that the provisions of such instrument were intended to be enforced by the Master Association or by Declarant.

Section 6.2 Abatement and Enjoinment of Violations by Owners. In addition to the provisions set forth in Section 6.1 above, the violation of any of the Frostwood Rules or the breach of any provision of the Governing Documents shall also give the Board the right, after notice and hearing, except in case of an emergency, in addition to any other rights set forth in these Bylaws:

6.2.1 To enter a Parcel, Lot or Common Element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing of condition (except for additions or alterations of a permanent nature that may exist in that Lot or Parcel) that is existing and creating a danger to the Owners at Frostwood contrary to the intent and meaning of the provisions of the Governing Documents. The Board shall not be deemed liable for any manner of trespass by this action; or

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

Section 6.3 Fine for Violation. The Board may adopt resolutions providing for fines or other monetary penalties for the infraction of the Governing Documents. Fines will be levied after notice thereof and an opportunity to be heard. The Board may levy fines in amounts that it, in its sole discretion, shall determine to be reasonable for each violation of the Governing Documents, including those violations which persist after notice and an opportunity for a hearing is given.

Section 6.4 Specific Enforcement. In addition to such other rights as are specifically granted under the Master Declaration, the Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Parcel of the violator, and to suspend a Member's right to vote or any Person's right to use the Common Element for violation of any duty imposed under the Governing Documents; provided, however, nothing herein shall authorize the Board to limit ingress and egress to or from a Parcel or to suspend a Member's right to vote due to nonpayment of Assessments. In addition, the Board may suspend any services provided by the Master Association to a Member or the Member's Parcel if the Member is more than thirty (30) days delinquent in paying any Assessment, including without limitation any Frostwood Lift Impact Fee, or other charges owed to the Master Association. In the event that any Owner, Resident or Occupant of a Parcel, Lot, Unit or other Improvement violates the Governing Documents and a fine is imposed, the fine shall first be individually assessed against such Owner, Resident or Occupant; provided, however, if the fine is not paid by the Owner, Resident or Occupant within the time period set by the Board, the Member shall pay the fine upon notice from the Master Association. The failure of the Board to enforce any provision of the Governing Documents shall not be deemed a waiver of the right of the Board to do so thereafter.

Section 6.5 Notice. Prior to imposition of any sanction hereunder or under the Master Declaration, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request for a hearing to the Board or the Frostwood Design Review Committee, if any, appointed pursuant to Article V above; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the

notice shall be imposed; provided the Board or the Frostwood Design Review Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and Frostwood Rules by any Person.

Section 6.6 Hearing. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held before the Frostwood Design Review Committee for issues regarding the Design Guidelines and proposed developments and improvements to a Parcel, Lot, Unit or Improvement, or if the Frostwood Design Review Committee no longer exists, before the Board in executive session. All other hearings regarding any Master Association matters shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, a proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Trustee, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

Section 6.7 Frostwood Design Review Committee Appeal. Following a hearing before the Frostwood Design Review Committee, the violator shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the Manager, President, or Secretary of the Master Association within ten (10) days after the hearing date.

Section 6.8 Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article VI, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner, Resident or Occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred.

ARTICLE VII INDEMNIFICATION

Section 7.1 Actions By Or In The Right of The Master Association. The Master Association shall indemnify any Person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Master Association) by reason of the fact that he or she is or was a Trustee or officer of the Master Association, who is or was serving at the request of the Master Association in such capacity, against expenses (including expert witness fees, attorneys' fees and costs) judgments, fines,

amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner which such individual reasonably believed to be in the best interests of the Master Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner he or she reasonably believed to be in the best interests of the Master Association and, with respect to any criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful. No indemnification shall be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable for negligence or misconduct in the performance of his or her duty in the Master Association unless, and to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses if such court deems proper.

Section 7.2 Successful on the Merits. To the extent that a Trustee, Manager, officer, employee, fiduciary or agent of the Master Association has been wholly successful on the merits in defense of any action, suit or proceeding referred to in Section 7.1 above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred by him or her in connection therewith.

Section 7.3 Determination Required. Any indemnification under Section 7.1 (unless ordered by a court) and as distinguished from Section 7.2, shall be made by the Master Association only as authorized by the specific case upon a determination that indemnification of the Trustee or officer is proper in the circumstances because such individual has met the applicable standard of conduct set forth in Section 7.1 above. Such determination shall be made by the Board by majority vote of a quorum consisting of those Trustees who were not parties to such action, suit or proceeding or, if a majority of disinterested Trustees so commands, by independent legal counsel and a written opinion or by Members entitled to vote thereon.

Section 7.4 Payment in Advance of Final Disposition. The Master Association shall pay for or reimburse the reasonable expenses incurred by a former or current Trustee or officer who is a party to a proceeding in advance of final disposition of the proceeding if the Trustee or officer furnishes to the Master Association a written affirmation of the trustee's good faith belief that he or she has met the standard of conduct described in Section 7.1, the Trustee or officer furnishes to the Master Association a written understanding, executed personally or on the trustee's or officer's behalf to repay the advance if it is ultimately determined that the Trustee or officer did not meet the standard of conduct and a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article VII. The undertaking required in this Section 7.4 shall be

an unlimited general obligation of the Trustee or officer but need not be selected and may be accepted without reference to financial ability to make repayment.

Section 7.5 No Limitation of Rights. The indemnification provided by this Article VII shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the Members or disinterested Trustees, or otherwise, nor by any rights which are granted pursuant to the Act.

Section 7.6 Trustees and Officers Insurance. The Master Association shall purchase and maintain insurance on behalf of any person who is or was a Trustee or an officer of the Master Association against any liability asserted against him or her and incurred by such individual in any such capacity or arising out of his or her status as such, whether or not the Master Association would have the power to indemnify such individual against such liability under provisions of this Article VII. The Trustees and officers of the Master Association shall have the liabilities, and be entitled to indemnification, as provided in the Act.

ARTICLE VIII RECORDS

Section 8.1 Records and Audits. The Master Association shall maintain financial records, and such other records as required by the Master Declaration or the Act. The cost of any audit shall be a Common Expense unless otherwise provided in the Master Declaration.

Section 8.2 Examination. The Membership register, books of account and minutes of the meetings of the Master Association, of the Board and of committees of the Board, and all other records maintained by the Master Association or Manager, shall be made available for examination and copying by any Member or by any of their duly authorized attorneys, at the expense of the Person examining the records during normal business hours and for a non-commercial purpose reasonably related to his or her interest as a Member, at the office where the records are maintained. Upon receipt of an authenticated written request from a Member along with the fee prescribed by the Board to defray the costs of reproduction, the Manager or other custodian of the records of the Master Association shall prepare and transmit to the Member a copy of any and all of the records of the Master Association requested. The Members' inspection privileges do *not* apply to the personnel records of the employees of the Master Association and the records of the Master Association relating to another Member. The Board shall establish reasonable rules with respect to:

8.2.1 Notice to be given to the custodian of the records by the Member desiring to make the inspection;

8.2.2 Hours and days of the week when such an inspection may be made; and

8.2.3 Payment of the cost of reproducing copies of documents requested by a Member.

Section 8.3 Inspection by Trustees. Every Trustee shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Master Association and the physical properties owned or controlled by the Master Association. The right of inspection by a Trustee includes the right to make a copy of relevant documents at the expense of the Master Association.

Section 8.4 Records. The books and accounts for the Master Association shall be kept in accordance with generally accepted accounting principles under the direction of the Treasurer. At the close of each fiscal year, the books and records of the Master Association shall be prepared by an independent public accountant approved by the Master Association, and financial statements shall be prepared by said accountant and distributed to all Members.

ARTICLE IX ASSESSMENTS

All Assessments, including without limitation Frostwood Lift Impact Fees, shall be made in accordance with the general provisions of the Master Declaration. The Treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting Frostwood, specifying and itemizing the maintenance, repair and replacement expenses of Frostwood. Such records shall be available for examination by the Members during regular business hours. In accordance with the actions of the Board in assessing Common Expenses against the Parcels and Members, the Treasurer shall keep an accurate record of such Assessments and of the payments thereof by each Member.

ARTICLE X AMENDMENT TO BYLAWS

Section 10.1 By Declarant. Prior to the conveyance of the first Parcel by Declarant to a Person other than a Parcel Developer, the Declarant may unilaterally amend these Bylaws. After such conveyance, and notwithstanding anything contained in these Bylaws to the contrary, these Bylaws may be amended unilaterally at any time and from time to time by Declarant if such amendment is (i) necessary to correct typographical errors or inadvertent omissions; (ii) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; or (iii) reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Parcels, Lots, Units, Residential Structures or Improvements subject to the Master Declaration; provided, however, any such amendment shall not materially adversely affect the title to any Parcel, Lot, Unit, Residential Structure or Improvement unless any such Owner shall consent thereto in writing. Further, so long as the

Declarant's Class B Membership in the Master Association exists, Declarant may unilaterally amend these Bylaws for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Owner hereunder, nor shall it adversely affect title to any property without the consent of the affected Owner.

Section 10.2 By Members Generally. Except as provided above, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing sixty-seven percent (67%) of the total votes in the Master Association, and the consent of the Declarant, if such exists. In addition, the approval requirements set forth in the Master Declaration shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Notwithstanding the foregoing, any amendment which shall modify the rights granted to Mortgagees under Article XIX of the Master Declaration, shall require the vote or written assent of sixty-seven percent (67%) of all Eligible Mortgagees.

Section 10.3 Validity and Effective Date of Amendments. Amendments to these Bylaws shall become effective upon recordation in the land records of Summit County, Utah, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Bylaws.

10.3.1 If a Parcel Developer consents to any amendment to the Master Declaration or these Bylaws, it will be conclusively presumed that such Parcel Developer has the authority to so consent and no contrary provision in any Mortgage or contract between the Parcel Developer and a third party will affect the validity of such amendment.

10.3.2 No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the successor of such right or privilege.

ARTICLE XI MISCELLANEOUS

Section 11.1 Notices. Unless otherwise provided in these Bylaws, all notices demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

11.1.1 If to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the principal office of the Parcel Association; or

11.1.2 If to the Master Association, the Board, or the Manager, at the principal office of the Master Association or the Manager, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section 11.1.2.

Section 11.2 Conflicts. If there are conflicts between the provisions of Utah law, the Master Declaration, the Articles and these Bylaws, the provisions of Utah law, the Master Declaration, the Articles, these Bylaws and the Frostwood Rules (in that order) shall prevail. Should such conflicts arise, the mediation and dispute resolution provisions provided for in the Master Declaration are specifically incorporated herein by this reference and made a part of these Bylaws.

Section 11.3 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason or any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 11.4 Severability. The provisions hereof shall be deemed independent and severable, and the invalid or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

Section 11.5 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.

Section 11.6 Effective Date. These Bylaws shall take effect upon Recording of the Master Declaration.

Section 11.7 Seal. The Board may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Master Association, the state of incorporation and the words "Corporate Seal".


CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of The Frostwood Master Owners Association, Inc., a Utah nonprofit corporation;

That the foregoing Bylaws constitute the original Bylaws of said Master Association, as duly adopted at a meeting of the Board of Trustees thereof held on the 20th day of September, 2000.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Master Association this 20th day of September, 2000.



Secretary

Certified to be the Bylaws adopted by the Board of THE FROSTWOOD MASTER OWNERS ASSOCIATION, INC., dated September 20, 2000.



Secretary