

EXHIBIT B
BYLAWS
OF
COLONIAL GARDENS HOMOWNERS ASSOCIATION, INC.

ARTICLE I
PLAN OF LOT OWNERSHIP

1.1 Property Submission

The Property is located in Weber County, Utah, has been submitted to the provisions of a Declaration recorded in the Office of the County Recorder of Weber County, Utah, simultaneously herewith, and shall hereafter be referred to as the "Project."

1.2 Bylaws Applicability

The Provisions of these Bylaws are applicable to the Project as the same may be expanded as provided in the Declaration and the use, occupancy, sale, lease or other transfer thereof. All Owners of any fee or leasehold interest, all occupants or users of the Project, and the agents and servants of any of them are subject to the provisions of the Project Documents.

1.3 Personal Application

All present and future Owners, tenants, future tenants, their guests, licensees, servants, agents, employees and any other person or persons who shall be permitted to use the facilities of the Project, shall be subject to the Project Documents. Acquisition, rental or occupancy of any of the Lots in the Project shall constitute an acknowledgment that such Resident has accepted and ratified these Bylaws, the provisions of the Project Documents and will comply with them.

1.4 Office

The office of the Association and of the Board of Directors shall be located at the Project or at such other place as may be designated from time to time by the Board of Directors (hereinafter sometimes called the "Board").

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ARTICLE II

*ASSOCIATION***2.1 Composition**

All of the Lot Owners acting as a group in accordance with the Project Documents shall constitute the Association. Except as to those matters which Utah law specifically requires to be performed by the vote of the Lot Owners, the administration of the Project shall be performed by the Board.

2.2 Voting

Each Owner shall have one vote. Since a Owner may be more than one person, if only one of such persons is present at a meeting of the Association that person shall be entitled to cast the vote appertaining to that Lot. But if more than one of such persons is present, the vote appertaining to that Lot shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the vote appertaining to that Lot without protest being made forthwith by any of the others to the person presiding over the meeting.

Since a person need not be a natural person, the word "person" shall be deemed for the purposes of this Section to include, without limitation, any natural person having authority to execute deeds on behalf of any person, excluding natural persons, which is, either alone or in conjunction with another person or persons, a Owner.

Except where a greater number is required by the Project Documents, a majority of the votes of Owners present in person or represented by proxy in good standing and entitled to vote is

required to adopt decisions at any meeting of the Association.

2.3 Place of Meeting

Meetings of the Association shall be held at the principal office of the Project or at such other suitable place as may be designated by the Board and stated in the notice of the meeting.

2.4 Annual Meeting

Annual meetings for any other purpose than the election of the Board of Directors may be held at any time on call of the President of the Board, by a majority of the Board or by Owners representing twenty percent (20%) of the Owners. Notice of such meeting shall be given in accordance with the provisions of Section 6.2.

Thereafter, the annual meetings of the Association shall be held on the third Tuesday in May of each succeeding year, unless such date shall occur on a Sunday or holiday, in which event the meeting shall be held on the next succeeding Tuesday which is not a holiday. The Board in its discretion may designate another date for the annual meeting.

At such annual meetings the Board shall be elected by ballot of the Owners in accordance with the requirements of these Bylaws. The Association may transact such other business as may properly come before them at such meetings.

2.5 Special Meetings

It shall be the duty of the President to call a

special meeting of the Association if so directed by resolution of the Board or, after all of the Board has been elected by Lot Owners, upon a petition signed and presented to the Secretary by Owners having not less than twenty percent (20%) of the votes of all Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

2.6 Notice of Meetings

It shall be the duty of the Secretary to mail, by United States mail, postage prepaid, a notice of (a) each annual meeting of the Owners, at least twenty (20) days in advance of such meeting and (b) each special meeting of the Owners at least ten (10) days in advance of such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at the address of their respective Lots and at such other address as each Owner may have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

2.7 Voting Requirements

An Owner shall be deemed to be in "good standing" and "entitled to vote" at any annual meeting or at any special meeting of the Association if, and only if, he shall have fully paid all due installments of assessments made or levied against him and his Lot by the Board as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his Lot, at least three (3) days prior to the date fixed for such annual or special meeting.

2.8 Proxies

The votes appertaining to any Lot may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Lot Owner, or, in cases where the Lot Owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the person presiding over the meeting, by the Lot Owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy, and must be filed with the Secretary not less than three (3) days before the meeting.

2.9 Absentee Ballots

(a) A Member who is incapacitated, or who will be absent, on the date set for balloting may cast an absentee ballot at the place or time of balloting, or by mail, in the manner required by the Election Committee, but in no event shall the vote be cast more than fourteen (14) days prior to the voting date.

(b) Ballot boxes containing absentee votes shall be opened and the ballots tabulated at the same time and place and under the same conditions as the regular ballots.

2.10 Mail-in Ballots

(a) Any action that may be taken by the Owners, except election of Board members, may be taken by written consent in

accordance with the procedure established in the Utah Revised Nonprofit Corporation Act Section 16-6a-709, as amended.

(b) A combination of mail-in ballots and "in person" ballots may be used.

2.11 Written Consent in Lieu of Vote

Any action that may be taken by the Owners, except election of Board members, may be taken by written consent in accordance with the procedure established in the Utah Revised Nonprofit Corporation Act Section 16-6a-707, as amended.

2.12 Quorum

Except as may otherwise be provided herein or by statute, more than fifty percent (50%) of the Owners shall constitute a quorum for the adoption of decisions. If, however, such quorum shall not be present or represented at any meeting; the Owners entitled to vote thereat, present in person, represented by proxy or absentee ballot, shall have power to adjourn the meeting and reschedule for a time no earlier than 48 hours, and no later than thirty (30) days after the time set for the original meeting. No notice of such rescheduled meeting shall be required except an announcement thereof at the original meeting. A quorum for the transaction of business at the rescheduled meeting shall be thirty percent (30%) of the Owners in person

or represented by proxy or absentee ballot.

2.13 Order of Business

The order of business at all meetings of the Association shall be as follows: (a) roll call; (b) proof of notice of meeting; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) report of special committees, if any; (f) election of inspectors of election, if applicable; (g) election of Board Members, if applicable; (h) unfinished business; and (i) new business. In its sole discretion, the Board of Directors may change the order of business.

2.14 Title to Lot

Title to Lots may be taken in the name of a natural person or in the names of two or more natural persons, or in the name of a corporation, partnership, association or other entity capable of holding title to real property, or any combination thereof.

2.15 Conduct of Meeting

The President shall, or in his absence the Vice-President shall, preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat.

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ARTICLE III

BOARD OF DIRECTORS

3.1 Powers and Duties

The affairs and business of the Association shall be managed by the Board which shall have all of the powers and duties necessary for the administration of the affairs of the Association in accordance with the provisions of the Project Documents and may do all such acts and things as are not reserved specifically to the Owners by the Project Documents.

The Board shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the enjoyment of the Project provided such Rules and Regulations shall not be in conflict with the Project Documents. The Board shall delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the Managing Agent, if any, which might arise between meetings of the Board. Subject to any limitations or provisions contained in the Declaration, the Board shall be responsible for the following:

(a) Preparation of an annual budget, in which there shall be established the contribution of each Owner to the Common Expenses;

(b) Making assessments against Owners to defray the cost and expenses of the Project, establishing the means and methods of collecting such assessments from the Owners, and establishing the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Board, the annual assessment against each Owner for his proportionate share of the Common Expenses

shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month.

(c) Providing for the operation, care, upkeep, replacement, maintenance and surveillance of all of the Common Areas and services of the Project.

(d) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Areas, and providing services for the Property, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed the common property of the Owners.

(e) Collecting the assessments against the Owners, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to carry out the administration of the Property.

(f) Making and amending Rules and Regulations respecting the use of the Property.

(g) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.

(h) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the

Property and repairs to, and restoration of, the Property, in accordance with the Declaration and other provisions of these Bylaws, after damage or destruction by fire or other casualty.

(i) Enforcing by legal means the provisions of the Project Documents for the use of the Property adopted by it, and bringing any proceedings which may be instituted on behalf of the Owners.

(j) Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof.

(k) Paying the cost of all services rendered to the Project and not billed to Owners of individual Lots.

(l) Keeping books with detailed accounts of the receipts and expenditures affecting the Property, and the administration of the Association, specifying any maintenance and repair expenses of the Common Areas and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Board for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting practices, and the same, upon resolution of the Association, shall be audited by an outside auditor employed by the Board who shall not be a resident of the Project, or an Owner therein. The cost of such audit shall be a Common Expense. A copy of the annual audit report shall be supplied to any first mortgagee of any Lot in the Project who requests the same in

writing from the Secretary.

(m) To do such other things and acts not inconsistent with the Project Documents or Utah law.

3.2 *Manager*

The Board may employ a Manager at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 3.1.

The Board may delegate to the Manager all of the powers granted to the Board by these Bylaws; provided that any actions by the Manager with respect to the powers set forth in paragraphs (b), (f), (g) and (l), of Section 3.1 shall require the written consent of the Board.

3.3 *Number of Board Members*

The Board shall be composed of three (3) persons, all of whom shall be Owners.

3.4 *Selection and Term of Office of the Board*

Unless appointed under the provisions of Section 3.10, Board members shall be elected as follows:

(a) Until the Turnover Meeting described in Article XIII of the Declaration, the Declarant alone shall be entitled to select the three Board members.

(b) At and after the Turnover Meeting, Board members shall be elected by a majority vote of the Members present in person or by proxy at the annual meeting. Cumulative voting shall not be permitted.

(c) All Board members shall hold office until the members shall have elected their respective successors.

(d) Board members' terms shall be staggered. At the Turnover Meeting, or the first Member's meeting thereafter, three (3) Board members shall be elected. One (1) member shall be elected for a one (1) year term; one (1) member shall be elected for a two (2) year term; and one (1) member shall be elected for a three (3) year term. The initial term of each member (1, 2, or 3 years) shall be decided by vote of the newly elected Board members at their first meeting. Upon the natural expiration of a Board member's term, a successor shall be elected for a two (2) year term. There shall be no limit on the number of terms an Owner may serve as a Board member.

3.5 Organization Meeting

The first meeting of the members of the Board following the annual meeting of the Association shall be held within ten (10) days after the annual meeting at such place as shall be fixed by the Board at the meeting at which such Board-persons were elected, and no notice shall be necessary to the newly elected Board members in order legally to constitute such meeting provided that majority of the whole Board shall be present thereat.

3.6 Regular Meetings

Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board, but at least six (6) such meetings shall be held during each fiscal year after the first annual meeting of the Association. Notice of regular meetings of the Board shall be given to each member, personally, by mail or by telephone, at least three (3) business days prior to the day

named for such meeting.

3.7 Special Meetings

The President on three (3) business days' notice to each member may call special meetings of the Board. Such notice shall be given personally, by mail or by telephone, and such notice shall state the time, place and purpose of the meeting. The President or Secretary shall call special meetings of the Board in like manner and on like notice on the written request of at least two (2) Board members.

3.8 Waiver of Notice

Before or at any meeting of the Board, any Board member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Board members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.9 Board's Quorum

At all meetings of the Board, a majority of the Board shall constitute a quorum for the transaction of business, and the acts of the majority of the Board present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business, which might have been transacted at the meeting as originally called, may be transacted without further notice.

3.10 Vacancies

In the event a Board seat which was filled by Declarant becomes vacant, Declarant shall have the right to select a replacement member to sit on the Board for the balance of the term associated with the vacated seat.

Vacancies in the Board caused by any reason other than removal of a Board member by a vote of the Association shall be filled by vote of the majority of the remaining Board members at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy, even though the Board members present at such meeting may constitute less than a quorum of the Board; and each person so elected shall be a Board member for the remainder of the term of the Board member so replaced and until a successor is elected at the next annual meeting of the Association.

3.11 Removal of Board Member

(a) A Board member may be removed with or without cause, and his successor elected, at any duly called regular or special meeting of the Association at which a quorum is present, by an affirmative vote of the majority of the votes represented and voting. Any Board member whose removal has been proposed by the Owners shall be given at least thirty (30) days written notice of the calling of the meeting and the purpose thereof and shall be given a reasonable opportunity to be heard at the meeting.

(b) Any Board member who fails on three successive occasions to attend Board meetings (whether regular or special) or who has failed to attend at least 25% of all Board meetings (whether regular or special) held during any twelve month period shall automatically forfeit his membership on the

Board.

(c) Any Board member who allows his installments of assessments made or levied against him and his Lot by the Board to exceed four hundred dollars (\$400.00), including default interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his Lot, and fails to cure the default within ten (10) days after written notice shall automatically forfeit his membership on the Board.

3.12 Compensation

Board members shall not be compensated for their work. However, they may seek reimbursement for actual costs incurred associated with their service.

3.13 Conduct of Meetings

The President shall preside over all meetings of the Board and the Secretary shall keep a Minute Book of the Board recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings.

3.14 Report of Board

The Board shall present at each annual meeting, and when called for by vote of the Association at any special meeting of the Association, full and clear statement of the business and condition of the Association.

3.15 Fidelity Bonds

The Board shall require that all officers, agents (including professional Manager and its employees) and employees of the Association handling or responsible for funds

furnish adequate fidelity bonds. The premiums on such bonds shall constitute a Common Expense. The Board shall provide a fidelity insurance coverage as required by the Declaration.

3.16 *Dispensing with Vote*

Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if all the members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

3.17 *Liability of the Board*

The members of the Board shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the Board members from and against all contractual liability to others arising out of contracts made by the Board on behalf of the Owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these Bylaws.

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ARTICLE IV

*OFFICERS***4.1 Designation**

The principal officers of the Association shall be a President, Vice President, Secretary, and a Treasurer, all of whom shall be elected by the Board. Any two offices may be combined except for President/Vice-President or President/Treasurer.

The Board may appoint assistant secretaries and such other officers as in its judgment may be necessary. With the exception of the President, no officer need be a member of the Board. The same person may hold two or more offices, except that the President shall not hold any other office.

4.2 Election of Officers

The officers of the Association shall be elected annually by the Board at the organization meeting of each Board and shall hold office at the pleasure of the Board. The Board at a regular meeting or special meeting called for such purpose shall fill any vacancy in an office.

Nevertheless, the Board members may serve as the officers of the Association, with such positions therein determined amongst themselves.

4.3 Removal of Officers

The officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the whole Board, and his successor may be elected at any regular

meeting of the Board, or at any special meeting of the Board called for such purpose.

4.4 President

The President shall be the chief executive officer; he shall preside at meetings of the Association and the Board and shall be an ex officio member of all committees; he shall have general and active management of the business of the Association and shall see that all orders and resolutions of the Board are carried into effect.

4.5 Vice President

There shall be a Vice President. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board or the President shall prescribe. If neither the President nor the Vice President is able to act, the Board shall appoint a member of the Board to do so on an interim basis.

4.6 Secretary

The Secretary shall attend all sessions of the Board and all meetings of the Association and record all votes and the minutes of all proceedings in a book to be kept by him for that purpose and shall perform like duties for committees when required. He or she shall give, or cause to be given, notice of all meetings of the Association, the Board and committees and shall perform such other duties as may be prescribed by the Board.

The Secretary shall compile and keep current at the principal office of the Project, a complete list of the Owners and their last

known post office addresses. This list shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the minute book of the Association, containing the minutes of all annual and special meetings of the Association and all sessions of the Board including resolutions.

4.7 *Treasurer*

The Treasurer shall have the custody of all funds and securities that are not under the control of the Managing Agent, and, with the assistance of the Managing Agent, shall keep full and accurate records of receipts and disbursements, shall prepare all required financial data, and shall deposit all moneys and other valuable effects in such depositories as may be designated by the Board. He or she shall disburse funds as ordered by the Board taking proper vouchers for such

disbursements, and shall render to the President and Board members, at the regular meetings of the Board, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the Association.

4.8 *Agreement, Contracts, Deeds, Checks, etc.*

All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations of over \$500.00 shall be executed by any two officers of the Board or by such other person or persons as may be designated by the Board.

All such instruments for expenditures or obligations of less than \$500.00 may be executed by any one officer of the Board or by such other person as may be designated by the Board.

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ARTICLE V

FISCAL YEAR

5.1 *Fiscal Year*

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The fiscal year of the Association shall consist of the twelve month period commencing on January 1 of each year and terminating on December 31 of the same year. The fiscal year herein established shall be subject to change by the Board should it be deemed advisable or in the best interests of the Association.

ARTICLE VI

AMENDMENT TO BYLAWS

6.1 Amendments

Except as otherwise provided in this Section, these Bylaws may be modified or amended either (i) by an affirmative vote of at least fifty-one percent (51%) of the Percent Interests in the Project at any regular or special meeting at which a quorum is present, provided that Notice of the proposed amendment shall have been given to each Owner simultaneously with the notice of such meeting, or (ii) pursuant to a written instrument duly executed by at least fifty-one percent (51%) of the Lot Owners.

Notwithstanding anything in this Declaration, so long as the Class B membership exists, the written consent of the Declarant is required to amend these Bylaws.

6.2 Recording

A modification or amendment of these Bylaws shall become effective only if such modification or amendment is recorded in the office of the County Recorder of Weber County, Utah.

6.3 Conflicts

No modification or amendment of these Bylaws may be adopted which shall be inconsistent with the provisions of the Declaration. A modification or amendment once adopted and recorded as provided for herein shall then constitute part of the official Bylaws of the Association and all Owners shall be bound to abide by such modification or amendment.

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ARTICLE VII
NOTICE

7.1 *Manner of Notice*

All notices, demands, bills, statements or other communications provided for or required under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by U.S. Mail, first class postage prepaid, (i) if to an Owner, at the address of his Lot and at such other address as the Owner may have designated by notice in writing to the Secretary, or (ii) if to the Board or the Manager, at the principal office of the Manager or at such other address as shall be

designated by notice in writing to the Owners pursuant to this Section.

7.2 *Waiver of Notice*

Whenever any notice is required to be given under the provisions of the statutes, the Declaration or of these Bylaws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto.

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ARTICLE VIII

COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS**8.1 Compliance**

These Bylaws are set forth in compliance with the requirements of the Utah Non-Profit Corporations Act.

8.2 Conflict

These Bylaws are subordinate and subject to all provisions of the Declaration. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control.

8.3 Severability

These Bylaws are set forth to comply with the requirements of the State of Utah. In case any of the Bylaws are in conflict with the provisions of any of its statutes, the provisions of the states will apply. If any provisions of these Bylaws or any section, sentence, clause, phrase, or word, or the application thereof in any circumstance are held invalid, the validity of the remainder of these Bylaws shall not be

affected thereby and to this end, the provisions hereof are declared to be severable.

8.4 Waiver

No restriction, condition, obligation or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

8.5 Captions

The captions contained in these Bylaws are for convenience only and are not part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

8.6 Gender, etc.

Whenever in these Bylaws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

NOTES:

IN WITNESS WHEREOF, the Declarant, has caused these Bylaws to be executed by its duly authorized officers on the date first stated above.

DECLARANT

David Gifford
By: David Gifford
Its: Manager

STATE OF UTAH)
County of Utah :SS

On this 2 day of April, 2007, personally appeared before me Julie Patten, who being by me duly sworn, did say that they are the agents of Declarant authorized to execute these Bylaws on behalf of the Declarant.

Julie Patten
NOTARY PUBLIC

