

EXHIBIT B
BYLAWS
of
INN CONDOMINIUM OWNERS ASSOCIATION,
A Utah Non-Profit Corporation

1. APPLICATION OF BYLAWS.

All present and future unit owners, mortgagees, lessees and occupants of units and their employees, and any other persons who may use the facilities of the property in any manner are subject to the declaration, these bylaws and all rules made pursuant hereto and any amendments hereof. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a unit shall constitute an agreement that the provisions of the declaration, the Articles of Incorporation, and these bylaws and any rules and regulations made pursuant hereto, as they may be amended from time to time, are accepted, ratified and will be complied with.

2. BOARD OF DIRECTORS.

2.1 The management and maintenance of the property and the administration of the affairs of the Inn Condominium Owners Association (hereinafter called the "Association") shall be conducted by the board of directors consisting of seven natural persons who need not be unit owners. The rights, duties and functions of the board of directors may be exercised by declarant until the earlier of 120 days after the date by which 75% of the units have been conveyed to unit purchasers, or seven (7) years from the date of the first conveyance to a unit purchaser, unless it should, at its sole option, turn over such rights, duties and functions to the board of directors at an earlier date.

2.2 Beginning with the first annual meeting and at every annual meeting thereafter, the Association shall elect the members of the board of directors to fill those positions becoming vacant at such meeting. At least thirty (30) days prior to any annual meeting of the Association, the board of directors shall elect from the unit owners a nominating committee of not less than three (3) members, none of whom shall be members of the then board of directors. The nominating committee shall recommend to the Association one nominee for each position on the board of directors to be filled at that particular annual meeting. Nominations for positions on the board of directors may also be made by petition filed with the secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by four (4) or more unit owners and signed by the nominee named therein indicating his willingness to serve as a member of the board of directors, if elected.

2.3 Members of the board of directors shall serve for terms of three (3) years beginning immediately upon their election by the Association; provided, however, that three directors of the board of directors elected at the first annual meeting at which directors are chosen by vote of unit owners shall serve for an initial term of one (1) year, and three other directors shall serve for an initial term of two (2) years, and the remaining director shall serve for an initial term of three (3) years. Thereafter, all directors elected shall serve for three year terms. The members of the board of directors shall serve until their respective successors are elected, or until their death, resignation or removal. Any director who fails to attend three consecutive board of directors meetings or fails to attend at least 25% of the board of directors meetings held during any fiscal year shall be deemed to have tendered his resignation, and thereupon his position shall be vacant.

2.4 Any director may resign at any time by giving written notice to the president of the

Association or to the remaining directors. Any director may be removed from membership on the board of directors by a two-thirds majority vote of the Association. Whenever there shall occur a vacancy on the board of directors due to death, resignation, removal or any other cause, the remaining directors shall elect a successor director to serve until the next annual meeting of the Association, at which meeting said vacancy shall be filled by the Association for the unexpired term, if any.

2.5 The directors shall receive no compensation for their services unless expressly approved by a majority of the Association; provided, however, that any director may be employed by the Association in another capacity and receive compensation for such employment; provided further, that such employment shall be approved by vote or in writing by all directors not including the director to be employed.

2.6 The board of directors, for the benefit of the property and the Association, shall manage the business, property and affairs of the property and the Association and enforce the provisions of the declaration, the articles of incorporation, these bylaws, and the rules and regulations governing the property, which rules shall be approved by the Veterans Administration prior to enactment. The board of directors committee shall have the powers, duties, and responsibilities with respect to the property as contained in the act, the declaration, the articles of incorporation and these bylaws.

2.7 The meetings of the board of directors shall be held at such places within the State of Utah as the board of directors shall determine. A majority of the members of the board of directors 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 of directors. The board of directors shall annually elect all of the officers of the Association. The meetings for the election of officers shall be held at the first meeting of the board of directors immediately following the annual meeting of the Association.

2.8 Special meetings of the board of directors may be called at the request of the president or any two directors. The secretary shall then give notice thereof in writing at least five (5) days before the meeting. Such notice shall specify the purpose for which the meeting is called, and the meeting shall be restricted to discussions of those items listed on the agenda.

2.9 Regular meetings of the board of directors may be held with five (5) days prior written notice, except in case of emergency.

2.10 Any director may, at any time, waive notice of any meeting of the board of directors in writing, any such waiver shall be deemed equivalent to giving of such notice. Attendance by a director at a meeting shall constitute a waiver of notice to him of such meeting unless such director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the directors are present at any meeting of the board of directors, no notice shall be required and any business may be transacted at such meeting.

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

2.12 The fiscal year shall be set as the calendar year.

3. MEETINGS OF THE ASSOCIATION.

3.1 The first annual meeting of the Association shall be held within ten months after sales of the units are completed. Thereafter there shall be an annual meeting of the Association on the first Tuesday of February at 7:00 p.m. at the property or at such other reasonable place or time not more than sixty (60) days before or after such date as may be designated by written notice by the board of directors delivered to the unit owners not less than fifteen (15) days prior to the date set for said meeting. At or prior to an annual meeting, the board of directors shall furnish to the unit owners (i) a list of the names of the nominees for the positions on the board of directors to be filled at that meeting; (ii) a budget for the coming fiscal year which shall itemize the estimated common expenses for the coming fiscal year with the estimated allocation thereof to each unit owner; and (iii) an audited statement of the common expenses itemizing receipts and disbursements for the previous and current fiscal year, together with the allocation thereof to each unit owner. Within ten (10) days after the annual meeting, the budget and the statements of common expenses shall be delivered to the unit owners who were not present at the annual meeting.

3.2 Special meetings of the Association may be held at any time at the property or at such other reasonable place to consider matters which, by the terms of the declaration, require the approval of all or some of the unit owners or for any other reasonable purpose. Special meetings shall be called upon written request signed by a majority of the board of directors or by unit owners representing at least one-third (1/3) or more of the undivided interests in the common areas and facilities. The secretary of the Association shall then prepare a written notice which shall be delivered to all unit owners not less than fifteen (15) days prior to the date fixed for said meeting. Such notice shall specify the date, time and place of the meeting, and the matters to be considered. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail addressed to the unit owner at his registered address, with first class postage thereon prepaid. Each unit owner shall register with the Association his current mailing address for the purpose of notice hereunder. Such registered address may be changed from time to time by notice in writing to the Association. If no address is registered with the Association, a unit owner's unit address shall be deemed to be his registered address for purposes of notice hereunder.

3.3 The presence in person or by proxy of unit owners holding fifty percent (50%) of the undivided interests in the property at any meeting of the Association held in response to notice to all unit owners of record properly given shall constitute a quorum. In the event that a quorum is not present in person or by proxy, the meeting shall be adjourned for twenty-four (24) hours, after which time it shall reconvene and any number of unit owners present at such subsequent meeting shall constitute a quorum. Unless otherwise expressly provided in the act, the declaration, the articles of incorporation, and these bylaws, any action may be taken at any meeting of the unit owners upon a majority vote of the unit owners who are present in person or by proxy and who are voting.

3.4 Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the declaration, the articles of incorporation or these bylaws.

4. OFFICERS.

4.1 All officers and employees of the Association shall serve at the will of the board of directors. The officers shall be president, vice-president, secretary and treasurer. The offices of secretary and treasurer may be combined at the option of the board of directors. The board of directors may appoint such other assistant officers as the board of directors may deem necessary. No officer shall be required to be a unit owner, but the president and vice-president must be members of the board of directors. No officer shall receive compensation for serving as such. Officers shall be annually elected by the board of directors. The board of directors shall require

that officers (and other employees of the Association) be subject to fidelity bond coverage, as set forth in the Amended Declaration of Condominium.

4.2 The president shall also be the chairman of the board of directors and shall preside at all meetings of the Association and the board of directors and may exercise the power ordinarily allowable to the presiding officer of an association, including the appointment of committees. The president shall exercise general supervision over the property and its affairs. He shall sign on behalf of the Association all conveyances, mortgages and contracts of material importance to its business. He shall do and perform all acts which the board of directors may require.

4.3 The vice-president shall perform the functions of the president in his absence or inability to serve.

4.4 The secretary shall keep minutes of all proceedings of the board of directors and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the unit owners and the board of directors.

4.5 The treasurer shall be responsible for the fiscal affairs of the Association, but may delegate the daily handling of funds and the keeping of records to a managing company. Any management agreement entered into shall be approved in advance by the Veterans Administration.

5. COMMON EXPENSES: ASSESSMENTS.

5.1 All assessments shall be made in accordance with the general provisions of Article IX of the declaration.

5.2 Not less than thirty (30) days prior to the annual meeting of the Association, the board of directors shall estimate the common expenses and capital contributions for the coming fiscal year. The estimated capital contributions may include such amounts as the board of directors may deem proper for general working capital, for the general operating reserve, and shall take into account any expected income, surplus or deficit in the common expenses for any prior year. These estimated capital contributions and common expenses shall be assessed on a monthly basis to the unit owners in proportion to their percentages of undivided interest in the common areas and facilities as set forth in Exhibit "A" of the declaration. If the estimated common expenses prove inadequate for any reason, including nonpayment of any unit owner's assessment, the board of directors may, by resolution duly adopted, make additional assessments, which shall be assessed to the unit owners in the same manner as the estimated common expenses. Each unit owner shall be obligated to pay the board of directors' assessments made pursuant to this paragraph on or before the first day of each month, or in such other reasonable manner as the board of directors shall designate. The funds received by the board of directors from assessments shall be kept in either capital accounts or in the common expense fund and shall be expended by the board of directors only in accordance with the provisions of the act, the declaration, the articles of incorporation and these bylaws.

5.3 The failure by the board of directors before the expiration of any fiscal year to estimate the common expenses as required herein shall not be deemed a waiver or modification in any respect of the provisions of the declaration or these bylaws or a release of the unit owner from the obligation to pay any past or future assessments, and the estimated common expenses fixed for the previous and current year shall continue until a new estimate is made.

5.4 No unit owner may exempt himself from liability for common expenses by waiver of the use or enjoyment of any of the common areas and facilities or by abandonment of his unit.

5.5 The treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the common areas and facilities, specifying and itemizing the maintenance, repair and replacement expenses of the common areas and facilities and any other expenses incurred. Such records shall be available for examination by the unit owners during regular business hours. In accordance with the actions of the board of directors assessing common expenses against the units and unit owners, the treasurer shall keep an accurate record of such assessments and of the payments thereof by each unit owner.

5.6 All common assessments shall be separate, distinct and a personal liability of the owner of the unit at the time each assessment is made. The board of directors shall have the rights and remedies contained in the act and in the declaration to enforce the collection of assessments for common expenses.

5.7 Any person who shall have entered into a written agreement to purchase a unit shall be entitled to obtain a written statement from the treasurer setting forth the amount of unpaid assessments charged against the unit and its owners, and if such statement does not reveal the full amount of the unpaid assessments as of the date it is rendered, neither the purchaser nor the unit shall be liable for the payment of an amount in excess of the unpaid assessment shown thereon, provided that the former unit owner shall remain so liable. Any such excess which cannot be promptly collected from the former unit owner-grantor shall be reassessed by the board of directors as a common expense to be collected from all unit owners, including without limitation the purchaser of the unit, his successors and assigns. The new unit owner shall, and the former unit owner shall not, be liable for any assessment made after the date of transfer of title of a unit, even though the common expenses and such other expenses incurred or the advances made by the board of directors for which the assessment is made relate in whole or in part to any period prior to that date.

5.8 In addition to the statements issuable to purchasers of units, the board of directors shall provide to the unit owner, to any person who shall have entered into a binding agreement to purchase the unit and to any mortgagee on request at reasonable intervals, a current statement of unpaid assessments for common expenses and for any expenses of any advances by the board of directors with respect to the unit.

5.9 In all cases where all or part of any assessments for common expenses and for any expenses of and advances by the board of directors cannot be collected within sixty (60) days of the date due from the persons or entities liable therefor under the act, the declaration or these bylaws, the board of directors may reassess the same as a common expense without prejudice to its rights of collection against such persons or entities, or without prejudice to its lien for such assessments.

5.10 Amendments to this Section 5 shall be effective only upon unanimous written consent of the unit owners and their mortgagees.

6. LITIGATION.

6.1 If any action is brought by a member of the board of directors on behalf of the Association and recovery is had, the expenses of suit, including reasonable attorney's fees, shall be a common expense. If any action is brought against the unit owners or against the board of directors or the officers, employees, or agents thereof in their capacities as such, with the result that the ultimate liability asserted would if proved, be borne by all the unit owners, the expenses of suit, including attorney's fees, shall constitute a common expense and be borne by the Association.

6.2 Any action brought against the Association, the board of directors or the officers,

employees or agents thereof, in their respective capacities as such, or the property as a whole, shall be directed to the board of directors, which shall promptly give written notice thereof to the unit owners and any mortgagees and shall be defended by the board of directors; and the unit owners and mortgagees shall have no right to participate in such defense other than through the board of directors. Action against one or more, but less than all unit owners shall be directed to such unit owners, who shall promptly give written notice thereof to the board of directors and to the mortgagees of such units, and shall be defended by such unit owners.

7. ABATEMENT AND ENJOINMENT OF VIOLATIONS BY UNIT OWNERS.

7.1 The violation of any rules or regulations adopted by the board of directors, the breach of any provision contained herein or the breach of any provision of the declaration shall give the board of directors the right, in addition to any other rights set forth in these bylaws:

7.1.1 To enter the unit in which or as to which such violation or breach exists after a hearing opportunity before the board of directors when five days prior notice has been given to the unit owner, and to abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the board of directors shall not thereby be deemed guilty of any manner of trespass; and/or

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

7.2 These remedies are cumulative to other remedies provided in the act, the declaration and these bylaws or in any other applicable form.

8. ACCOUNTING.

8.1 The books and accounts of the Association shall be kept in accordance with generally accepted accounting procedures under the direction of the treasurer.

8.2 At the close of each fiscal year, the books and records of the board of directors shall be audited by a public accountant approved by the Association.

8.3 The books and accounts of the Association shall be available for inspection at the office of the Association by any unit owner or his authorized representative during regular business hours.

9. SPECIAL COMMITTEES.

9.1 The board of directors by resolution may designate one or more special committees, each committee to consist of two (2) or more unit owners, which to the extent provided in said resolution shall have and may exercise the powers set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the board of directors. All special committees shall keep regular minutes of their proceedings and report the same to the board of directors when required. The members of such special committee or committees designated shall be appointed by the board of directors or the president. The board of directors or the president may appoint unit owners to fill vacancies on each of said special committees occasioned by death, resignation, removal or inability to act for any extended period of time.

10. RENTAL OR LEASE OF UNITS BY UNIT OWNERS.

10.1 Any unit owner who rents or leases his unit shall file with the board of directors or manager a copy of the rental or lease agreement affecting said unit. The provisions of these bylaws shall apply with equal force to renters or lessees of units.

10.2 Any unit owner who rents or leases his unit shall be responsible for the conduct of his tenants, and upon written notice from the board of directors or the manager, said unit owner shall be responsible for correcting violations of the declaration, bylaws or rules and regulations committed by such tenants.

10.3 If a unit owner fails to correct violations by tenants within 72 hours of such notice, the board of directors or manager shall give the unit owner opportunity for a hearing before the board of directors, with five days prior notice thereof. Following such hearing and the finding that violations do exist, the board of directors or manager shall be deemed to be the agent of the unit owner and empowered to take any enforcement action the unit owner would be entitled to take, the cost of such action to be assessed to the unit owner and payable within 30 days of assessment. Such costs shall be collected and enforced in the same manner as common assessments under Section 5 of these bylaws.

10.4 The power of the management committee or manager hereunder shall include, but not be limited to, any and all legal remedies available under the laws of the State of Utah. Any unit owner by the act of renting or leasing his unit shall be deemed to have consented to these procedures and shall indemnify and save harmless the board of directors and the manager from and against any and all liability therefor. It is expressly understood that the remedies available to the board of directors or manager shall include but not be limited to the right to seek eviction of the tenant without any liability to the unit owner.

11. AMENDMENT OF BYLAWS.

Except as otherwise provided in the act, the declaration or these bylaws, the bylaws may be amended by a vote of owners holding two-thirds (2/3) or more of the undivided interests in person or by proxy at a meeting duly called for such purpose. Upon such an affirmative vote, the board of directors shall acknowledge the amended bylaws, setting forth the fact of the required affirmative vote of the unit owners, and the amendment shall be effective upon recording.

12. SEVERABILITY.

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

13. 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.

14. EFFECTIVE DATE.

These bylaws shall take effect upon recording of the declaration of which they are a part.

IN WITNESS WHEREOF, the undersigned, being the Declarant and performing the functions and duties of the Board of Directors, does hereby execute these Bylaws on the _____ day of _____, 1993.

INN CONDOMINIUM OWNERS ASSOCIATION, INC.

by: _____
President

ATTEST:

Secretary

CONSENT OF DECLARANT

On this _____ day of _____, 1993, the undersigned _____ and _____, President and Secretary of Village Townhomes Owners Association, Inc., a Utah Corporation, as the Declarant and Owner of the land upon which the Project is located, does hereby consent to and execute these Bylaws in accordance with the provisions of the Utah Condominium Ownership Act.

INN CONDOMINIUM OWNERS ASSOCIATION, INC.

by: _____
President

ATTEST:

Secretary