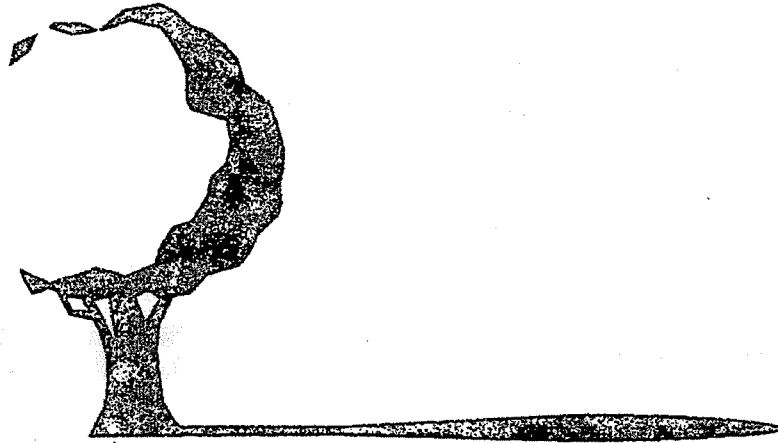


EXHIBIT "D"

BY-LAWS

OF

DAYBREAK COMMUNITY COUNCIL, INC.



D A Y B R E A K

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BY-LAWS
OF
DAYBREAK COMMUNITY COUNCIL

Chapter 1
Name, Principal Office, and Definitions

Any powerful idea is absolutely fascinating-and absolutely useless unless we choose to use it.
Richard Bach

1.1. Name

The name of the corporation shall be Daybreak Community Council, Inc. ("Community Council").

1.2. Principal Office

The Community Council's principal office shall be located in Salt Lake County, Utah. It may have such other offices, either within or outside Salt Lake County, as the Community Council's Board of Directors may determine, or as the Community Council's affairs may require.

1.3. Definitions

The words used in these By-Laws shall have their normal, commonly understood definitions unless otherwise specified. Unless the context indicates otherwise, capitalized terms shall have the same meaning as set forth in the Covenant for Community for Daybreak ("Covenant") recorded in the official records of Salt Lake County.

Space has been set aside throughout these By-Laws to allow the reader to make notes. Those spaces and the heading that denotes the spaces are not part of these By-Laws and have no legal or binding effect.

NOTES AND THOUGHTS

Chapter 2

Community Council Mission

Our problem is not to find better values but to be faithful to those we profess.
John W. Gardner

The Community Council is organized for such purposes as are set forth in its Articles of Incorporation and in the Covenant.

and caring community committed to service, inclusiveness, lifelong learning, and well being.

The mission of the Daybreak Community Council is to foster the development of a vibrant

NOTES AND THOUGHTS

Chapter 3

Administration of the Community Council

It is not only what we do, but also what we do not do, for which we are accountable.
Moliere

3.1. Management

The Community Council shall have no members. The board of directors selected pursuant to Chapter 4 (the "Board") shall manage the Community Council's affairs in accordance with these By-Laws and the Covenant.

3.2. Community-Wide Meetings

From time to time, the Board may call meetings of the owners, occupants, and other parties interested and involved in Daybreak. The Board shall set the time, place, and agenda for such meetings. They also shall communicate notice of the meetings by (a) posting in a conspicuous location or locations within Daybreak; (b) publishing in a newspaper or community newsletter; (c) posting on a community cable channel or intranet or Internet website generally known to the Daybreak owners and occupants; or (d) similar means to which the owners, occupants, and other parties interested and involved in Daybreak could reasonably be expected to have access.

Such notice shall be given, published, or posted not less than 10 nor more than 50 days

prior to the meeting date. If notice is to be given through publication in a newspaper, the notice shall be published three separate times not less than 10 or more than 60 days prior to the meeting date. Participation in discussions during community-wide meetings shall be subject to reasonable regulation by the Board.

3.3. Special Meetings

The Board shall call a special community-wide meeting:

(a) if a majority of a quorum of the Directors so directs by resolution; or

(b) if the board of directors of the Daybreak Community Association, Inc. ("Association") requests such a meeting; or

(c) upon petition of the owners of at least 25% of the Units.

The notice of any special meeting shall be given as provided in Section 3.2. No business shall be transacted at a special meeting except as stated in the notice.

NOTES AND THOUGHTS

Chapter 4

Directors: Number, Meetings, Powers

Democracy's the worst form of government except for all the others.
Sir Winston Churchill

A. Composition and Selection

4.1. Number of Directors

The initial Directors shall consist of the three individuals (each a "Director") identified in the Articles of Incorporation. Each Director shall have one equal vote. During the time that the Founder is authorized to appoint Directors as provided in Section 4.2, there shall be at least three and no more than seven Directors, as the Founder may determine. After termination of the Founder's right to appoint Directors, the Directors shall be appointed as described in Section 4.2.

4.2. Selection of Directors; Term of Office

The Founder is authorized to appoint the Directors until termination of the Founder Control Period, as that term is defined in the Community Charter for Daybreak (the "Charter"). The terms of the initial Directors shall be staggered, with two of the initial Directors serving three-year terms and one of the initial Directors serving a two-year term, as they among themselves determine. During the Founder Control Period, upon the termination of the term of office of any Director, the Founder shall appoint a successor to serve a two-year term.

Upon termination of the Founder Control Period, the terms of the then existing Directors shall terminate, and the Board of Directors shall be expanded to include seven Directors.

The initial Board of Directors following termination of the Founder Control Period shall

be appointed by the Founder. Four of the seven Directors appointed by the Founder shall serve three-year terms and three of the seven Directors appointed by the Founder shall serve two-year terms, as they among themselves determine.

Following termination of the Founder Control Period, upon the termination of office of any Director, the remaining Directors shall appoint a successor Director. The successor Director shall serve a two-year term. A Director may serve any number of consecutive terms.

4.3. Resignation and Removal of Directors; Vacancies

Any Director may resign at any time by giving written notice to the Directors, the President, or the Secretary. Such resignation shall take effect on the date such notice is received or at a later time specified in the notice. Acceptance of such resignation shall not be necessary to make it effective.

Any Director may be removed, with or without cause, and any vacancy may be filled for the unexpired portion of the term of a Director who has been removed or vacated such position, upon a majority vote of the other Directors or by the Founder, so long as the Founder or a Founder Affiliate continues to own any property described in Exhibit "A" or "B" to the Covenant, or holds a beneficial interest under a trust agreement in any property described in Exhibit "A" or "B" to the Covenant.

B. Meetings

4.4. Organizational Meetings

The first meeting of the Directors shall be held within 90 days following the date the Community Council's Articles of Incorporation are filed with the Division of Corporations and Commercial Code of the State of Utah at such time and place as the Directors shall fix.

4.5. Regular Meetings

Regular Directors meetings may be held at such time and place as a majority of the Directors determine from time to time; however, at least four meetings shall be held during each fiscal year with at least one meeting each fiscal quarter.

4.6. Special Meetings

When called by written notice signed by the President, Vice President, or any two Directors, the Directors shall hold a special meeting. The Secretary shall prepare and distribute written notice of any special meetings specifying the time and place of the meeting and the nature of any special business to be considered.

4.7. Quorum of Directors

At all Directors meetings, a majority of the Directors shall constitute a quorum for transacting business, and votes of a majority of the Directors present shall constitute the Directors' decision. If a quorum is present, the Directors may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

If any Directors meeting cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the scheduled date of the original meeting. At the reconvened

meeting, if a quorum is present, any business that could have been transacted at the originally called meeting may be transacted without further notice.

4.8. Compensation

Directors shall not receive any compensation for acting as such unless a majority of the Directors consents in writing, excluding the Director whose compensation is in question. A Director may receive reimbursement for expenses incurred on the Community Council's behalf upon approval of a majority of the other Directors.

Nothing herein shall prohibit the Community Council from compensating a Director, or any entity with which a Director is affiliated, for services or supplies furnished to the Community Council in a capacity other than as a Director pursuant to a contract or agreement with the Community Council. However, such Director must make his or her interest known to the Directors prior to entering into such contract, and a majority of Directors other than the interested Director must approve such contract.

4.9. Conduct of Meetings

The President shall preside over all Directors meetings, and the Secretary shall keep a minute book of Directors meetings, recording all Directors resolutions and all transactions and proceedings occurring at such meetings.

Directors meetings shall be open to the Founder, all Daybreak residents, and all directors, officers, and authorized representatives of the Association. Non-Directors may not participate in any discussion or deliberation unless a Director requests and is granted permission for the attendee to speak. In such case, the President may limit the time any individual may speak.

Notwithstanding the above, the President may adjourn any Directors meeting and reconvene in executive session, and may exclude persons other than Directors, for consideration of one or more of the following topics:

(a) employment or personnel matters for employees of the Directors or Community Council;

(b) legal advice from an attorney for the Directors or Community Council;

(c) pending or contemplated litigation; and/or

(d) pending or contemplated matters relating to enforcement of the Community Council's documents or rules.

4.10. Action Without a Formal Meeting

Any action taken or which may be taken at a Directors meeting may be taken without a meeting if all Directors sign a consent setting forth the action so taken. Such consent shall have the same force and effect as a unanimous vote.

4.11. Electronic Participation

One or more Directors may participate in and vote during any regular or special Directors meeting by telephone conference call, fiber optics, or similar audio or video communication equipment by means of which all persons participating in the meeting can hear each other at the same time. Those Directors so participating shall be deemed present at such meeting for all purposes including determining a quorum

C. Powers and Duties

4.12. Powers

The Directors shall have all the powers that Utah law provides for nonprofit corporations and

those necessary to administer the Community Council's affairs and to perform the Community Council's responsibilities and to exercise its rights as set forth in these By-Laws, the Covenant, and the Community Council's Articles of Incorporation.

For purposes of illustration but not limitation, the Directors shall have the power to:

(a) provide for activities, services, and programs designed to further the Community Council's mission as set forth in these By-Laws;

(b) impose reasonable conditions, limitations, and requirements and/or charge reasonable admission, use, or consumption fees for the use and enjoyment by Daybreak residents of the various services and programs provided by or through the Community Council and for the use and enjoyment of any of the Areas of Community Council Responsibility; and

(c) enforce the provisions of these By-Laws, the Covenant, and the Community Council's Articles of Incorporation and the rules and regulations of the Community Council, and bring any proceedings concerning the Community Council.

4.13. Duties

The Directors' duties shall include those imposed by law, as set forth in the Covenant for Community for Daybreak, and, without limitation:

(a) overseeing the preparation of and adopting annual budgets for Community Council Expenses;

(b) levying annual assessments against non-residential units, community enhancement fees, and other user fees to pay for Community Council Expenses, and establishing the means and method of collecting such payments as set forth in

these By-Laws, the Covenant, and the Community Council's Articles of Incorporation;

(c) making available to any owner, mortgagee, or prospective purchaser of property in Daybreak, copies of these By-Laws, the Covenant, and the Community Council's Articles of Incorporation, and rules the Directors

promulgate. The Directors may establish and charge fees to cover the Community Council's printing and mailing costs; and

(d) cooperating with the Association and fulfilling its responsibilities under the Covenant.

NOTES AND THOUGHTS

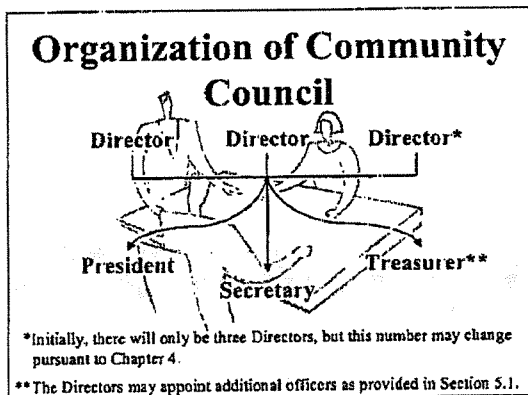
Chapter 5

Officers

Only those who dare to fail greatly will achieve greatly.
Robert F. Kennedy

5.1. Officers

The Community Council officers shall be a President, Vice President, Secretary, and Treasurer. The President and Secretary shall be elected from among the Directors. The Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties the Directors prescribe.



5.2. Election and Term of Office

The Directors shall elect the Community Council officers at such times as it deems appropriate or when a position becomes vacant. Officers may serve terms of such length as the Directors may designate, but not to exceed two years.

5.3. Removal and Vacancies

Whenever in its judgment the Community Council's best interests will be served, the Directors may remove any officer and may fill any vacancy in any office arising because of death,

resignation, removal, or otherwise for the unexpired portion of the term.

5.4. Powers and Duties

Community Council officers shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Directors. The President shall be the Community Council's chief executive officer. The Secretary shall be responsible for ensuring that the minutes of all Directors and committee meetings are kept and shall have charge of such books and papers as the Directors may direct. The Treasurer shall be primarily responsible for preparing the budget of Community Council Expenses but may rely upon accounting or other professionals in the process of doing so.

5.5. Resignation

Any officer may resign at any time by giving written notice to the Directors, 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. Acceptance of such resignation shall not be necessary to make it effective.

5.6. Agreements, Contracts, Deeds, Leases, Checks, Etc.

All agreements, contracts, deeds, leases, checks, and other instruments of the Community Council shall be executed by the President, Secretary, or Treasurer, or by such other person or persons as the Directors may designate by resolution.

5.7. Compensation

Compensation of officers shall be subject to the same limitations as compensation of Directors under Section 4.8.

NOTES AND THOUGHTS

Chapter 6

Management and Administration

Good thoughts are no better than good dreams if you don't follow through.
Ralph Waldo Emerson

6.1. Liability and Indemnification

To the fullest extent that Utah law, as amended from time to time, permits, the Community Council shall indemnify, hold harmless, and defend the Founder (and its members, agents, and employees), every Community Council officer, Director (in their capacity as such), and every committee member for, from, and against all damages and expenses, including attorneys fees, reasonably incurred in connection with any action, suit, or other proceeding brought against them (including any settlement thereof, if approved by the Directors). This right to indemnification shall not be exclusive of any other rights to which any present or former officer or Director may be entitled. As a Community Council Expense, the Community Council shall maintain adequate general liability and directors and officers liability insurance to fund this obligation as provided in Section 7.3

6.2. Standards of Conduct; Business Judgment

In performing their duties, Directors and officers are subject to insulation from liability as provided for Directors, directors, and officers of corporations by Utah law and as otherwise provided by these By-Laws, the Covenant, and the Community Council's Articles of Incorporation. Directors shall exercise the ordinary and reasonable care of Directors or directors of a corporation, subject to the business judgment rule.

As defined herein, a Director shall act in accordance with the business judgment rule so long as the Director:

(a) acts within the expressed or implied scope of these By-Laws, the Covenant, and the Community Council's Articles of Incorporation and his or her actions are not *ultra vires*;

(b) affirmatively undertakes to make decisions which are necessary for the continued and successful operation of the Community Council and, when decisions are made, they are made on an informed basis;

(c) acts on a disinterested basis, promptly discloses any real or potential conflict of interests (pecuniary or other), and avoids participation in such decisions and actions; and

(d) acts in a non-fraudulent manner and without reckless indifference to the Community Council's affairs.

A Director acting in accordance with the business judgment rule shall be protected from personal liability. Unless these By-Laws, the Covenant, and the Community Council's Articles of Incorporation require that specific action be taken, the failure to take specific action shall not, without further showing of a violation under the business judgment rule, be deemed a violation of a Director's duty.

The Directors' determinations of the meaning, scope, and application of By-Laws, the Covenant, and the Community Council's Articles of Incorporation provisions shall be upheld and enforced so long as such determinations are reasonable. The Directors shall exercise their power in a fair, nondiscriminatory manner and shall adhere to the procedures established in these

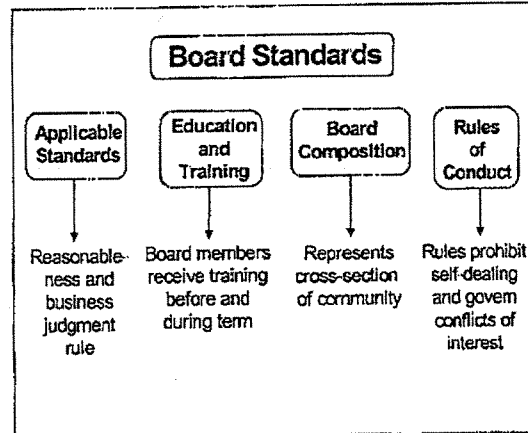
By-Laws, the Covenant, and Community Council's Articles of Incorporation.

6.3. Training Seminar

In cooperation with or independent of the Association's board, the Directors shall provide for seminars and continuing educational opportunities designed to educate and inform Directors and officers of their responsibilities as such. Such programs shall include instruction on applicable Utah corporate and fiduciary law principles, other issues relating to administering community affairs, and upholding and enforcing these By-Laws, the Covenant, and Community Council's Articles of Incorporation. The Directors may retain industry professionals, which may include attorneys and accountants, as appropriate or necessary for such purpose. Each newly elected Director and officer shall complete a training seminar within the first six months of assuming such position.

6.4. Conflicts of Interest

Unless otherwise approved by a majority of the other Directors, no Director or officer may transact business with the Community Council or the Association, or any Community Council or Association contractor, during his or her term as Director or officer or within two years after the term expires. A Director or officer shall promptly disclose in writing to the Directors any actual or potential conflict of interest relative to his or her performance as a Director or officer. A Director's or officer's failure to make such disclosure shall be grounds for removal by a majority vote of the other Directors. The Directors may void any contract that creates a prohibited conflict of interest.



Notwithstanding the above, the Directors the Founder appoints may be employed by or otherwise transact business with the Founder or any Founder Affiliate, and the Founder may transact business with the Community Council, the Association, or their contractors.

6.5. Management

The Community Council may employ professional management agents, at such compensation as the Directors may establish, to perform such duties and services, as the Directors shall authorize. Subject to the Directors' supervision, the Directors may delegate to the agent or agents such powers as are necessary to perform its assigned duties but shall not delegate policy-making authority or ultimate responsibility for those duties set forth in Section 4 13. The Board may employ the Founder or a Founder Affiliate as managing agent or manager. Any Person to whom the Board delegates its powers relating to collection, deposit, transfer, or disbursement of Council funds shall maintain fidelity insurance coverage or a bond in an amount not less than \$50,000.00 or such higher as the Board may require.

The Directors may delegate to any single Director the authority to act on their behalf on all matters relating to any agent's duties that arise between Directors meetings.

The Directors may not terminate any agency contract, or retain a new agent, without the Founder's approval for so long as the Founder or a Founder Affiliate owns, or has a beneficial interest in, or the contractual right to acquire, property within Daybreak. Any such contract may, among other things, authorize action as the Community Council's agent with respect to the expenditure of Community Council funds within the scope of the approved Community Council budget; however, the agent shall not be permitted to spend money in excess of the budget or reallocate greater than 10% of any budget line item without the Directors' prior approval.

6.6. Right to Contract

The Community Council shall have the right to contract with any person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements, or covenants to share costs with a property owners association or any other entity within or outside Daybreak.

6.7. Right to Appoint Committees

The Directors may appoint such committees, as they deem appropriate to perform such tasks as the Directors may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. Unless otherwise specified in the resolution creating the committee, service on a committee shall be for a term of two years. The Directors shall have the right to disapprove or veto any committee

decision or action. Committees shall not have the authority contractually to bind the Community Council or to commit the Community Council financially or otherwise.

6.8. Limitation on Community Council Authority

The Association exists independently from the Community Council and is managed and administered in accordance with the Charter and the Association's other governing documents. Unless the Association otherwise specifically consents in writing, or unless specifically provided in the Charter, the Community Council has no authority to, and shall not (a) enforce the Charter or any Association rights; (b) maintain, improve, operate, or encumber Association-owned or administered property; (c) act as the Association's agent or representative; (d) commit the Association to any contracts, obligations, or costs; (e) hire, terminate, direct, manage, or supervise any of the Association's employees or its managing agent; (f) solicit the Association's employees or agents to become the Community Council's employee or exclusive agent (provided, this shall not prevent the Community Council and the Association from being jointly managed); or (g) directly assess the owners or any neighborhood association directly or indirectly, except as otherwise specifically permitted under the Covenant or the Charter.

This Section is for the benefit of and shall be enforceable by the Association.

NOTES AND THOUGHTS

Chapter 7

Accounting and Insurance

*Not everything that can be counted counts, and not everything that counts can be counted.
Albert Einstein*

7.1. Accounts and Reports

The following management standards of performance shall be followed unless the Directors, by resolution, specifically determine otherwise:

(a) generally accepted accounting principles shall be employed;

(b) the Community Council's cash accounts shall not be commingled with any other accounts;

(c) no persons, on behalf of the Community Council, shall accept remuneration from vendors, independent contractors, or others providing goods or services to the Community Council, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Community Council;

(e) the Community Extension Agent (as defined in the Covenant for Community for Daybreak) or any other agent of the Community Council shall disclose promptly to the Directors any financial or other interest which he or she may have in any firm providing goods or services to the Community Council; and

(f) an annual report consisting of at least the following shall be made available for inspection by any interested party within 60 days after the close of the fiscal year: (i) a balance sheet showing actual receipts and expenditures; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as

the Directors determines, by an independent public accountant

The Community Council's Annual Report

Contains the following:

- a balance sheet showing actual receipts and expenditures
- an income statement
- a statement of changes in financial position for the fiscal year

The Community Council shall provide any interested party a copy of the annual financial report within 10 business days following receipt of a written request for access.

7.2. Borrowing

The Community Council shall have the power to borrow money for any legal purpose.

7.3. Insurance

Acting through its Directors or its duly authorized agent, the Community Council shall obtain and maintain in effect the following types of insurance, if reasonably available and affordable and to the extent the Directors deems reasonably necessary:

(a) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements

(excluding land) on Community Council Property, if any. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies that the Community Council obtains shall have policy limits sufficient to cover the full replacement cost of the insured improvements (excluding land);

(b) Commercial general liability insurance for any property that the Community Council owns, controls, or maintains. If generally available at reasonable cost, the commercial general liability coverage (including primary and any umbrella coverage) shall have a limit of at least \$2,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage; however, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Community Council may obtain such additional coverage or limits;

(c) Workers compensation insurance with statutory limits and employers liability insurance, if and to the extent required by law;

(d) Directors and officers liability coverage;

(e) Fidelity insurance covering all persons responsible for handling Community Council funds in an amount determined in the Directors' business judgment but not less than an amount equal to one-quarter of the annual Community Enhancement Fees plus any additional reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation; and

(f) Such additional insurance as the Directors, in the exercise of their business judgment, determines advisable, which may include, without limitation, flood insurance, boiler and machinery insurance, and building ordinance coverage. The Community Council's insurance policies may contain a reasonable deductible and shall provide a waiver of

subrogation against any Owner or household member of any Owner.

7.4. Deductibles

The Community Council's policies may contain a reasonable deductible, which shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3.

7.5. Policy Requirements

All Community Council policies shall provide for a certificate of insurance to be furnished to the Community Council.

To the extent available at reasonable cost and terms, all Community Council insurance shall:

(a) be written with a company authorized to do business in Utah;

(b) be written in the name of the Community Council as trustee for the benefited parties, and, if reasonably and financially practicable, name the Founder, the Founder Affiliates and their respective officers, directors, and employees as additional insured parties. All policies shall be for the benefit of the Community Council;

(c) contain an inflation guard endorsement;

(d) include an agreed amount endorsement, if the policy contains a co-insurance clause;

In addition, the Board shall use reasonable efforts to secure insurance policies that provide:

(a) a waiver of subrogation as to any claims against the Community Council's directors, officers, employees, and manager;

(b) a waiver of the insurer's right to repair and reconstruct instead of paying cash;

(c) an endorsement requiring at least 30 days' prior written notice to the Community Council of any cancellation, substantial modification, or non-renewal;

(d) a cross liability provision; and

(e) a provision vesting in the Board exclusive authority to adjust losses.

NOTES AND THOUGHTS

Chapter 8

Miscellaneous

We find no real satisfaction or happiness in life without obstacles to conquer and goals to achieve.
Dr. Maxwell Maltz

8.1. Fiscal Year

The Directors shall set the Community Council's fiscal year by resolution at the initial meeting of the Community Council. In the absence of a resolution, the fiscal year shall be the calendar year.

8.2. Parliamentary Rules

Except as may be modified by the Directors, *Robert's Rules of Order* (current edition) shall govern the conduct of Community Council proceedings when not in conflict with Utah law, the Community Council's Articles of Incorporation, or these By-Laws.

8.3. Conflicts

If there are conflicts among the provisions of Utah law, the Covenant, the Community Council's Articles of Incorporation, and these By-Laws, the provisions of Utah law, the Covenant, the Community Council's Articles of Incorporation, and these By-Laws (in that order) shall prevail.

8.4. Books and Records

(a) *Inspection by Owners and Mortgagees* The Directors shall make the following available for inspection and copying by the Founder, any owner, mortgagee of a Unit, or the duly authorized representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in his or her property: the Community Council's Articles of Incorporation, the Covenant, and these By-Laws, including any amendments, Community Council rules, books of account, and the minutes

of Director meetings. The Community Council shall provide for such inspection to take place at the Community Council's office or at such other place as the Directors designate.

(b) *Rules for Inspection*. The Directors shall establish reasonable rules with respect to (i) notice to be given to the custodian of the records; (ii) hours and days of the week when such an inspection may be made; and (iii) payment of the cost of reproducing copies of documents requested.

(c) *Inspection by Directors*. Every Director and the Founder shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Community Council and the physical properties the Community Council owns or controls. The right of inspection by a Director or the Founder includes the right to make a copy of relevant documents at the Community Council's expense.

8.5. Notices

Unless otherwise authorized or provided in the Covenant, these By-Laws, or by law, all notices, demands, bills, statements, or other communications under the Covenant or these By-Laws 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:

(a) if to an owner, at his or her address as designated in writing and filed with the Community Council's Secretary or, if no such address has been designated, at the address of the owner's property within Daybreak;

(b) if to the Association, to the address designated by the Association in writing to its Secretary, or if no such address has been designated, at the Association's principal office; and

(c) if to the Community Council, the Founder, Directors, or managing agent, at the Community Council's, the Founder's, Directors', or managing agent's principal office, or at such other address as shall be designated by notice in writing.

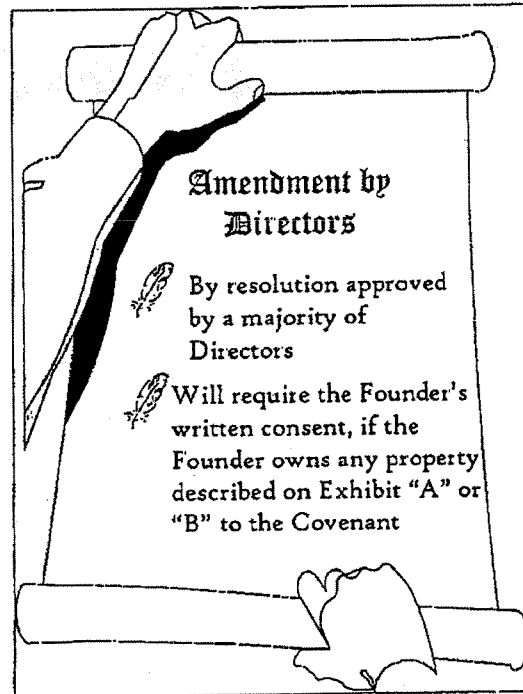
Alternatively, all such notices may be sent by means of facsimile or other electronic communication with confirmation of receipt. Such notice shall be deemed delivered upon transmission and confirmation of receipt.

Except for emergency meetings, notice of each Directors meeting shall be communicated to Daybreak residents by posting in a conspicuous location or locations within Daybreak, publishing in a newspaper or community newsletter, or posting on a community cable channel or intranet or internet website generally known to Daybreak owners and occupants, or by similar means to which the owners and occupants could reasonably be expected to have access. As an alternative to providing separate notice for each meeting, the Directors may post or publish a schedule of upcoming, regular Directors meetings.

Transactions of any Directors meeting, however called and noticed or wherever held, shall be as valid as if taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each absent Director 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 meeting's purpose. Notice of a meeting also shall be deemed given to any Director who attends the meeting without protesting before or at its commencement about lack of adequate notice.

8.6. Amendment

So long as the Founder or a Founder Affiliate continues to own any property described in Exhibit "A" or "B" to the Covenant, or holds a beneficial interest under a trust agreement in Exhibit "A" or "B" to the Covenant, the Founder may unilaterally amend these By-Laws at any time if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule or regulation, or judicial determination; (b) to enable any title insurance company to issue title insurance coverage; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans; (d) to enable any governmental agency or private insurance company to insure mortgage loans; or (e) to satisfy the requirements of any governmental agency.



Except as otherwise specifically provided herein, these By-Laws may also be amended upon a resolution approved by a majority of the Directors; however, any such amendment shall require the Founder's written consent for so long as the Founder or a Founder Affiliate owns any property described in Exhibit "A" or "B" to the Covenant or holds a beneficiary interest under a trust agreement in any property described in Exhibit "A" or "B" to the Covenant.

Amendments are effective upon recording. No amendment may remove, revoke, or modify any right or privilege of the Founder without the Founder's written consent or the assignee of such right or privilege. No amendment may remove, revoke, increase, or modify any Association right, privilege, or obligation without the Association's written consent.

NOTES AND THOUGHTS

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of the Daybreak Community Council, Inc., a Utah nonprofit corporation;

That the foregoing By-Laws constitute the original By-Laws of Daybreak Community Council, Inc., as duly adopted at a meeting of the Board of Directors held on the _____ day of _____, 2004.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Daybreak Community Council this _____ day of _____, 2004.

Secretary

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