BY-LAWS OF

SUM-R-FUN, INC. (revised November 2010)

ARTICLE I

Meeting of Directors and Shareholders

<u>Section 1.01.</u> Annual Meeting. The annual meeting of Directors and Shareholders shall be held the second Saturday of November of each year at such place and time as the Corporation's Officers shall determine.

<u>Section 1.02.</u> Special Meetings. Special meetings may be called by any Officer and shall be held at such time and place, within or without the State of Utah, as may be determined from time to time by the Officers of the Corporation.

Section 1.03. Notice of Meetings. Written notice stating the place, day and hour of all meetings and, in the case of special meetings, the purposes for which such meetings is called, shall be given not less than ten (10) days before the date of the meeting, either personally or by mail, by or at the direction of any officer of the Corporation, to each Director and Shareholder entitled to vote at such meeting. If mailed, such notice shall have been given to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Corporation, with postage thereon prepaid. Attendance at the meeting of any person entitled to notice of such meeting shall be deemed a waiver or verification of notice of such meeting. The written notice requirement of any meeting may be waived upon a showing by the Secretary/Treasurer that all Directors and Shareholders eligible to vote have received actual notice, whether verbal or written, of such meeting.

ARTICLE II

Board of Directors

<u>Section 2.01.</u> General Powers. The property, affairs and business of the Corporation shall be managed by the Board of Directors. The Board of Directors may exercise all the powers of the Corporation, whether derived from law or the **Articles of Incorporation**.

<u>Section 2.02.</u> Number, Tenure and Qualifications. The number of Directors forming the Board of Directors shall be thirteen (13). Each Director shall hold office until his successor shall have been elected and qualified. Each Director shall have one (1) vote on the board.

<u>Section 2.03.</u> Regular Meetings. Regular meetings of the Board of Directors shall be held at a regular interval to be determined by the Board of Directors and at such time and place as determined by the Directors.

<u>Section 2.04.</u> Special Meetings. Special Meetings of the Board of Directors may be called by the President, Vice President or any of the Directors. The person calling such special meeting shall fix the time and place of such meeting.

<u>Section 2.05.</u> Notice. Written notice of the time and piece of any special meeting of the Directors shall be given to all directors as outlined in Section 1.03.

<u>Section 2.06.</u> Decisions and Actions. Nine (9) Directors shall constitute a quorum of the Board of Directors. A majority vote of a quorum of Directors shall constitute an act, decision, or policy of the Board of Directors, unless otherwise specified in these By-Laws.

Section 2.07. Appointment and Vacancies. The Owner or Owners of each share of stock in the Corporation shall appoint one (1) Director who shall serve until death, resignation, appointment of a successor Director by the Owner or Owners of the share of stock, or the sale, transfer or alienation of the share of stock. If any vacancy shall occur in the Board of Directors by reason of the death or resignation of the Director, the Owner or Owners of the share of stock shall appoint a successor Director. The Owner or Owners of the share of stock may appoint a successor Director at any time. Upon such appointment, the Owner or Owners shall notify the Secretary of the corporation, in writing. Upon the sale, transfer, or alienation of the share of stock, the new owner or owners shall appoint a successor Director. Upon a vacancy in the Board of Directors for any reason, the Directors then in office shall continue to act as a governing body and a majority vote of a quorum of the then remaining Directors shall be deemed the decision or act of the Corporation.

<u>Section 2.08.</u> Resignation. A director may resign at any time by delivering a written resignation to either the President or Vice-President and to the Owner or Owners whom he represents. The resignation shall become effective upon delivery.

ARTICLE III

Officers

<u>Section 3.01.</u> Number. The officers of the Corporation shall be the President, Vice-President and Secretary/Treasurer.

<u>Section 3.02.</u> Election and Term of Office. The officers shall be chosen by the Board of Directors bi-annually at the annual meeting of Directors and Shareholders. In the event of failure to choose officers at such annual meeting, officers may be chosen at any regular or special meeting of the board of Directors and Shareholders. Each such officer shall hold office for a period of two (2) years and until his successor shall have been elected and qualified.

<u>Section 3.03.</u> Resignation. Any officer may resign at any time by delivering a written resignation to the Board of Directors and the President or Vice-President. Such resignation shall take effect upon delivery.

<u>Section 3.04.</u> Removal. Any officer may be removed from office by the Board of Directors whenever in the judgment of the Board of Directors the best interests of the Corporation shall be served thereby.

<u>Section 3.05.</u> Vacancies. If any vacancy shall occur in any office by reason of death, resignation, or other cause, or if a new office shall be created, then such vacancy or newly created office may be filled by the Board of Directors at any regular or special meeting.

Section 3.06. Powers and Duties of the President. The President shall have the power and duty to:

- (a) Be the senior officer of the Corporation and shall perform such duties as are usually performed by a corporate president and as provided for herein and as assigned by the Board of Directors.
- (b) Arrange for the time and place of the annual meeting.
- (c) Call special meetings of the officers of the Corporation for the purpose of carrying on the business of the Corporation.
- (d) Be the chief executive officer of the Corporation and, subject to the direction of the Board of Directors, shall have general charge of the affairs and property of the Corporation including but not limited to houseboat licensing, annual cleaning and maintenance and repair, and supervision of the Corporation's officers and agents.

<u>Section 3.07.</u> Powers and Duties of the Vice-President. The Vice-President shall have the duty to assist and council the President in all matters pertaining to the activities of the Corporation. In the event the President for any reason is unable to preside, or in his absence, it shall be the duty of the Vice-President to act in the President's stead.

Section 3.08. Powers and Duties of the Secretary/Treasurer.

- (a) Keep a record of the names and addresses of the Directors and Shareholders of the Corporation.
- (b) Keep a record of all proceedings of all Corporation meetings.
- (c) Give notice of meetings as directed by the President or the Board of Directors.
- (d) Schedule the use of the houseboat.
- (e) Maintain the houseboat logbook.
- (f) Perform, in general, all duties incident to the office of Secretary/Treasurer and such other duties as are given the Secretary by these By-Laws or as may be assigned to the Secretary by the Board of Directors or the President.
- (g) Receive and have charge of all monies of the Corporation.
- (h) Cause monies of the Corporation to be deposited in the name and to the credit of the Corporation in such banks as shall be selected by the Board of Directors.
- (i) Cause monies of the Corporation to be disbursed by checks signed by two (2) officers of the Corporation as approved and required by the Board of Directors and shall take and preserve property vouchers for all monies disbursed.
- (j) Make a report of the financial affairs of the Corporation at the annual meeting of the Directors and Shareholders and, upon request, to the Board of Directors.

ARTICLE IV

Stock Ownership and Asset Use

Section 4.01. Stock Ownership. There shall be thirteen (13) shares of common capital stock of the Corporation with each share evidenced by a certificate. Each share may be owned by either one or two (but not more than two) natural persons. There shall not be more than 18 full or partial shareholders. As used herein, the terms "Owner" and "Owners" shall refer to the person or people who own one-half, one or more shares of stock in the Corporation. Although any share may be owned by two natural persons, each share of stock shall only be entitled to one (1) vote as a shareholder vote. Any decision requiring a vote by the "Shareholders", as provided in these By-Laws, or as provided by law, shall mean that each of the thirteen (1) shares shall be entitled to one (1) shareholder vote. Additionally, each share shall be represented by one (1) member on the Board of Directors. In the event that .I share is owned by two people, it shall be the responsibility of the two Owners of the share to select an individual be the voting shareholder and to represent

the share on the Board of Directors. Each share of stock shall entitle the Owner (or two Owners in the event of multiple ownership of the same share) to the right to use the houseboat and other assets of the Corporation one thirteenth (1/13) of the time, as the same are available for use. The Corporation will provide the Owner (or Owners) with a schedule showing the Owner (or Owners) his (or their) allotted time. Generally, the allotted time will consist of seven (7) days per season which includes: fall (September, October, and November), winter (December, January, and February), spring (March, April and May) and summer (June, July and August). The seven (7) day period will begin and end at 12:00 noon on Sunday of each week. In the case where a share is owned by two Owners, the two Owners shall determine between themselves how to divide the time allotted to their share of stock. In the event that an Owner cannot use his allotted time, he shall notify the Corporation Secretary/Treasurer at least two (2) weeks in advance to permit other Owners the opportunity to use the time (which shall be assigned by the Secretary/Treasurer on a "first come, first served" basis).

<u>Section 4.02.</u> Ownership Qualification. No person shall qualify to own stock in the Corporation unless:

- (a) Such person has paid fair market consideration for partial or full interest in a share of stock in the Corporation.
- (b) Has passed the operator certification requirements of the Corporation as established by the Board of Directors.
- (c) Is over 21 years of age.
- (d) Is a natural person.
- (e) And has received approval by a majority vote of a quorum of the Board of Directors.

Section 4.03. Payment of Annual Dues. Each share of stock shall be assessed annual dues set by the Board of Directors at each annual meeting. Dues shall be due and payable by April 1st of each year. If the Owner or Owners of a share of stock are delinquent in the payment of assessed dues, the Owner or Owners of the said share of stock shall lose their use of the houseboat and other corporate assets until such time as the dues of that share of stock are brought current. All delinquent dues shall be assessed a late fee of one and one-half percent (1-1/2%) per month until paid.

Section 4.04. Annual Dues. Dues shall include each share of stock's portion of the following:

- (a) Annual maintenance costs.
- (b) Buoy or slip fees.
- (c) Launch fees.
- (d) Insurance and license assessments or fees.
- (e) Reserve operating expense fees.
- (f) Reserves for replacement of capital assets.
- (g) Daily use fees (to cover cleaning supplies, toilet paper, chemical for the toilet, propane and other supplies determined to be needed for the operation of the boat.
- (h) Other fees and/or assessments deemed appropriate by the Board of Directors.

Section 4.05. Engine Use Fees. Owners shall be required to pay an engine use fee of Twenty dollars (\$20.00) per hour for each hour or portion thereof that the Owner uses each of the drive engines. The engine use fee shall be used to provide for a reserve for repairs and/or replacement of the drive engines and generator. The use fee shall become due and payable to the Secretary/Treasurer of the Corporation within thirty (30) days following the use. Owners may deduct from the engine use fee any expenditures made by the Owners for supplies as defined above. The engine use fee (less any permitted expenditures) shall be mailed to the Secretary/Treasurer, together with copies of receipts showing permitted expenditures and a copy

of the checkout sheet. All delinquent engine use fees shall be assessed a late fee of one and one-half percent (1-1/2%) per month until paid. If an Owner is delinquent in the payment of engine use fees, he shall lose his right to use the houseboat until the engine use fees are brought current together with interest as provided herein.

Section 4.06. Day Use Fees. Owners shall be required to pay a day use fee of Ten dollars (\$10.00) per day for each night or portion thereof that the Owner uses the boat. Boat use includes use of the boat while parked in the moorage slip. The use fee shall become due and payable to the Secretary/Treasurer of the Corporation within thirty (30) days following the use. Owners may deduct from the day use fee and/or engine use fee any expenditures made by the Owners for supplies as defined above. The day use fee (less any permitted expenditures) shall be mailed to the Secretary/Treasurer, per Section 4.05. All delinquent use fees shall be assessed a late fee of one and one-half percent (1-1/2%) per month until paid. If an Owner is delinquent in the payment of use fees, he shall lose his right to use the houseboat until the use fees are brought current together with interest as provided herein.

Section 4.07. Insurance. The Corporation shall maintain liability and property damage insurance at all times and in such amounts as the Board of Directors deems sufficient. In the event that damage, mechanical failure, theft, or other mishap occurs to the houseboat during the time that the houseboat is being used by any individual Owner, unless the event of the damage, mechanical failure, theft or other mishap occurs to the houseboat as a result of as a result of negligence or reckless conduct of the Owner as determined by the Board of Directors, the Owner shall have the right of recourse through the Corporation's liability and property carrier for repair of the houseboat. Any damage should be reported to the Board of Directors before a claim is made to the insurance company. Each individual Owner shall be responsible for the deductible portion of the insurance. In the event the damage, mechanical failure, theft or other mishap occurs to the houseboat as a result of the negligence or reckless conduct of the Owner or members of the Owner's party, the Owner shall be required to pay for said damage and forfeit from its allotted proportional use time of the houseboat, the time to complete all repairs to the houseboat. Any increase of insurance rates or other costs related to the operation or existence of the houseboat, due to the negligent or reckless conduct of any Owner or any member of the Owner's party, shall be the responsibility of the Owner.

Section 4.08. Alienability, Transfer, or Sale of Ownership Share. If any Owner desires to sell, transfer, alienate or otherwise dispose of his interest in the Corporation, said interest shall be offered first to the Corporation and other Owners on the same terms and conditions. The Owner desiring to sell, transfer, alienate or otherwise dispose of his interest shall mail a written notice to the Secretary/Treasurer of the Corporation setting out the name of the proposed buyer and the terms and conditions of the proposed sale. Upon receipt of such notice, the Corporation Secretary/Treasurer shall verify that there are no funds owing and due to the Corporation and then forthwith notify each shareholder in the Corporation of the terms contained in the notice. The Corporation and the other Owners shall have twenty-one (21) days from the date of the postmark on the notice to purchase the share on the same terms and conditions contained in the notice. If the Corporation desires to purchase the share, it shall have priority. If more than one Owner desires to exercise this right, the Owners exercising the right shall have the right to do so on a pro-rata basis and an exception shall be made to the rule that a share may not be owned by more than two natural persons, if more than two other Owners exercise this right. If neither the Corporation nor any of {he other Owners exercise the right to purchase, the Owner may sell the interest to the prospective purchaser named in the notice on the terms set forth in the notice and for a price equal to or greater than the price set forth in the notice, provided that the prospective purchaser signs and delivers to the Secretary/Treasurer a statement indicating that the prospective

purchaser has read and understood the By-Laws and other applicable rules and regulations of the Corporation and agrees to be bound thereby. All transfers or sales must also comply with any and all requirements of the National Park Service or its agents. All fees related to ownership transfer will be the responsibility of the seller or as negotiated with the buyer. No Owner of an interest in the Corporation may pledge, hypothecate, encounter, mortgage or otherwise offer a security interest in any interest in the Corporation to a third party. No Owner my sell or offer for sale their interest in the Corporation if any funds are owning and due the Corporation from the Owner.

Section **4.09.** Operating Procedures of Houseboat. The houseboat shall only be used by the Owner, his family and friend. The houseboat shall not be operated by anyone other than the Owner. The Owner shall record in the logbook any and all circumstances surrounding the use of the houseboat as required from time to time by the Board of Directors. All use of the houseboat shall comply with standard operating procedures adopted by the Board of Directors. The Owner shall comply with all check-in and check-out procedures as required from time to time by the Board of Directors.

<u>Section 4.10.</u> Prohibited Activities and Uses. It shall be a violation of the rules, regulations and operating procedures, by-laws and philosophy of use of the houseboat, of the Corporation, for any of the following activities to occur either on the houseboat or in conjunction with its use by any Owner or member of a party of any Owner:

- (a) Use of, in any manner or form, any tobacco or tobacco product;
- (b) Consumption of any alcoholic beverage;
- (c) Use of any controlled substance, unless obtained and used pursuant to a valid prescription;
- (d) Any act or omission constituting a violation of any Federal, State or Local law;
- (e) Any other act or omission prohibited by a majority vote of a quorum of the Board of Directors.

ARTICLE V

Penalties and Sanctions

<u>Section 5.01.</u> Failure to Comply with Rules and Policies. Unless otherwise specified herein, or unless otherwise decided by The Board of Directors, failure to follow any operating procedures, rules, regulations, contractual obligations and responsibilities, bylaws, or other governing regulations of the Corporation, or other negligent or reckless conduct as determined by the Board of Directors, by any Owner, or member of any Owner's party, shall result in sanctions against that individual Owner follows:

- a) Unpaid fees, dues or other monetary obligations:
 - 1) 1-1/2% per month interest on unpaid balance, to accrue fifteen (15) days after unpaid balance is due;
 - 2) Loss of use of houseboat by individual Owner until obligation (including interest) is paid in full;
 - 3) Unpaid dues and fees for a period of 24 months or more shall result in forfeiture of the Owner's right to remain as part of the Corporation. The Owner shall dispose of his/her interest following the procedures outlined in Section 4.08.
- b) Negligent or reckless conduct by Owner:
 - 1) The first offence shall result in a warning from the Board of Directors.
 - 2) Second occurrence of negligent or reckless conduct within any two (2) consecutive years shall be deemed negligent or reckless conduct on the part of the Owner 2nd

shall result in forfeiture of the Owner's right to remain as part of the Corporation. The Owner *shall* dispose of his/her interest following procedures outlined in Section 4.08.

- c) Violation under Section 4.10:
 - 1) The first offence shall result in a warning from the Board of Directors.
 - 2) Second occurrence of a violation under Section 4.10, shall result in forfeiture of the Owner's right to remain as part of the Corporation. The Owner shall dispose of his/her interest following the procedures outlined in Section 4.08.
- d) All other penalties and/or sanctions as agreed upon from time to time by a majority vote of the Board of Directors.

Section **5.02.** Other Penalties and Sanctions Imposed by Directors. Should the Board of Directors decide to impose other penalties and/or sanctions against any Owner. In addition to those penalties and sanctions specifically outlined in these By-Laws, only those Directors not involved in the alleged act or omission shall vote on whether such act or omission did or did not occur and what penalties and/or sanctions should apply, if any. In this circumstance, the vote of eighty percent (80%) those directors eligible to vote shall be deemed the decision of the Board of Directors. Unless otherwise determined by the Board of Directors, a Director shall be involved in an alleged act or omission if such act or omission was his/her own or that of an Owner whom he/she represents.

<u>Section 5.03.</u> Additional Penalties and Sanctions. Should any other fines, penalties, sanctions, impoundments, or other sanction arise as the result of the action of any Owner of any member of an Owner's party that Owner shall be financially and otherwise responsible for such fine or other action.

ARTICLE VI

Annual Maintenance

Section 6.01. Spring Cleanup. Each share of stock shall be responsible to provide ten (10) manhours during the spring of each year, on a date or dates and at such place or places, as determined by the Board of Directors, for the annual cleanup of the houseboat. Failure to provide the said man-hours shall result in an assessment of Four hundred dollars (\$400.00) for each share of stock, which shall be used to purchase goods and/or services necessary to complete the annual cleanup. Failure to pay the said assessment shall result in the sanctions provided for herein.

ARTICLE VII

Amendments

<u>Section 7.01.</u> All By-Laws of the Corporation shall be subject to amendment, alteration or repeal by act of eighty percent (80%) of the Board of Directors, eligible to vote, except where a particular bylaw specifically requires a different number of Directors, to amend, alter, repeal or otherwise modify.

NEW OWNER'S CERTIFICATION

The undersigned, having purchased an interest in Sum-F-Fun, Inc., a Utah corporation

from _	rom hereby certify as follows:						
1.	. I have received a copy of the By-Laws of Sum-R-Fun, Inc. and I have read and understand the same.						
2.	I hereby agree to be bound by all of the terms of the said By-Laws and any rules, regulations and operating procedures duly adopted by the Directors of the Corporation from time to time, as well as the philosophy of use of the houseboat as therein contained.						
3.	3. I acknowledge that my failure to abide by the terms of the said By-Laws and the rule, regulations and operating procedures may result in my losing the right to use the houseboat owned by the Corporation.						
DATE	D thisday of, 20						
	New Owner						
New O	wner Contact Information:						
Name:							
Spouse	name:						
<u>Phone</u>	Number:						
Cell Nu	umber:						
Addres	<u>ss:</u>						
e-mail:							

NOTICE OF PROPOSED SALE

OWNERSHIP SHARES OF SUM-R-FUN, INC.

Proposed Buyer:		 	
Address:		 	
Terms and Conditions of			
	- F		
	SIGNED:	 	
	DATE:		

Note: (By-laws Section 4.08) The Owner desiring to sell, transfer, alienate or otherwise dispose of his interest shall mail a written notice to the Secretary/Treasurer of the Corporation setting out the name of the proposed buyer and the terms and conditions of the proposed sale. Upon receipt of such notice, the Corporation Secretary/Treasurer all forthwith notify each shareholder in the Corporation of the terms contained in the notice. The Corporation and the other Owners shall have twenty-one days from the date of the postmark on this notice to purchase the share on the same terms and conditions contained in this notice. If the Corporation desires to purchase the share, it shall have priority. If more than one Owner desires to exercise this right, the Owners exercising the right shall have the right to (lo so on a pro-rata basis and an exception shall be made to the rule that a share may not be owned by more than two natural persons, if more than two other Owners exercise this right. If neither the Corporation nor any of the Owners exercise the right to purchase, the Owner may sell the interest to the prospective purchaser named in the notice on the terms set forth in the notice and for a price equal to or greater than the price set forth in the notice, provided that the prospective purchaser signs and delivers to the Secretary/Treasurer a statement indicating that the prospective purchaser has read and understood the By-Laws and other applicable rules and regulations of the Corporation and agrees to be bound thereby. No All transfers or sales must also comply with any and all requirements of the National Park Service or its agents. All fees related to ownership transfer will be the responsibility of the seller or as negotiated with the buyer. Owner of a interest in the Corporation may pledge, hypothecate, encumber, mortgage or otherwise offer a security interest in any interest in the Corporation to a third party.