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Attention: Edward Krasnove, Esq.

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**BYLAWS  
OF THE  
NORTH BENCH FARMS HOME OWNERS ASSOCIATION  
A Nonprofit Corporation of the State of Utah**

Pursuant to the provisions of the Utah Revised Nonprofit Corporation Act, as amended (the "URNCA"), the Board of Trustees of the **NORTH BENCH FARMS HOME OWNERS ASSOCIATION**, a Utah nonprofit corporation (the "Association"), hereby adopts the following Bylaws. Any capitalized terms not defined herein shall have the meaning given to them in the recorded Declaration of Covenants, Conditions and Restrictions for North Bench Farms (the "Declaration").

**ARTICLE I  
NAME AND PRINCIPAL OFFICE**

1.1 Name. The name of the Association is as follows:

**NORTH BENCH FARMS HOME OWNERS ASSOCIATION**

1.2 Offices. The office of the Association will be at 3751 W. Center Park Drive, Suite 210, West Jordan, Utah 84084.

**ARTICLE II  
MEMBERS AND MEETINGS**

2.1 Membership. The Members (collectively, the "Members") of the Association shall be the owners of lots (collectively, the "Lots") in the North Bench Farms Development ("North Bench Farms"). Membership is deemed an appurtenance to each Lot, and shall pass automatically to the owner of each Lot upon conveyance of title.

2.2 Annual Meetings. The annual meeting of the Members shall be held at the time and place designated by the Board of Trustees of the Association (the "**Board of Trustees**") by delivering proper notice of the annual meeting not less than ten (10) days before the date of the annual meeting. The purpose of the annual meeting is the election of officers (the "**Officers**") and members of the Board of Trustees of the Association, and to consider such other business that comes before the meeting. If the trustees (collectively, the "**Trustees**") are not elected at the annual meeting, the existing Trustees shall continue to serve until their successors are named in a special meeting.

2.3 Special Meetings. Special meetings of the Members may be called by the Board of Trustees or by the Chairman of the Board of Trustees, as they see fit, or by the Members of the Association representing a majority of the total voting power within the Association. Any notice of special meeting shall state the time, place, and date of the meetings, and the matters to be considered at that meeting. When a special meeting is called by the Members of the Association, the notice shall be in writing, and delivered to the Chairman of the Board.

2.4 Place of Meetings. Meetings may be held within or without the State of Utah, as chosen by the Board of Trustees.

2.5 Notice of Meeting. The Board of Trustees shall cause written or printed notice of the date, time, place and purposes of all meetings of the Members to be sent to each of the Members not more than sixty (60) but not less than ten (10) days prior to the meetings. Mailed notice is deemed delivered when it is deposited in the United States Mail, postage prepaid, addressed to the Member at the last known address. Each Member shall register his or her address with the Association, and it shall be the obligation of the Member to provide notice of any change of address to the Association. If no address is registered, the Association may mail that Member's notice to the Secretary of the Association as the agent for the Member. Only one notice will be mailed for each Lot. If there are multiple owners of a Lot, they must designate one of them to receive the notice of the meeting on their behalf.

2.6 Members of Record. Upon purchasing a Lot in North Bench Farms, each Owner shall promptly furnish the Association with a copy of the deed or other instrument under which he or she acquired title to the Lot. For purposes of determining the persons entitled to vote on matters before a meeting of the Members, the Association may designate a record date, not more than sixty (60) days nor less than ten (10) days prior to the meeting date to determine the Members entitled to notice and to vote at the meeting. If no record date has been fixed, the record date is deemed to be the date on which notice of the meeting was mailed to the Members. The persons appearing as Members as of the record date are deemed entitled to notice and to vote at the meeting. Persons who become Members subsequent to the record date, or whose ownership is not registered with the Association until subsequent to the record date shall not be entitled to notice, shall not be counted in comprising a majority of the Members, and shall not be entitled to vote at the meeting. This shall not preclude a person who acquires his or her Membership subsequent to the record date from voting the interest of his predecessor under a written proxy.

2.7 Majority Attendance at Meetings. At any meeting of the Members, the presence of Members, in person or by proxy, who own fifty-one percent (51%) of the Lots and hence hold the right to cast at least a majority of the total votes of the Association shall be required for any action to be taken and shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirements set forth herein) at which a quorum shall be one-half of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than forty-five (45) days following the immediately preceding meeting.

2.8 Proxies. At each meeting of the Members, each Member entitled to cast a vote shall be entitled to vote in person or by written proxy. All proxies must be in writing, signed by the Member as shown on the records of the Association. When a Membership is jointly held, the proxy must be signed by all of the joint owners of the Membership. Proxies must be presented to the Secretary of the Meeting at the beginning of the meeting. The Secretary of the Meeting will make an entry of proxies in the minutes of the meeting.

2.9 Voting Rights. With respect to each matter presented to the Members, including the election of Trustees, each Member will be entitled to cast one vote for each Lot that he or she owns. In the case of a Lot with multiple owners, the owners will agree among themselves how the vote applicable to that Lot will be cast, and if no agreement can be reached, no vote will be received from that Lot. Any of the multiple owners appearing at the meeting in person or by proxy is deemed to be acting with proper authority for all of the other owners of that Lot unless the other owners are also present or have filed written objections to that owner's representation of the other owners of the Lot in question. In the event of Lots held subject to trust deeds or mortgages, the trustor or mortgagor will be entitled to vote, and the lender shall have no right to vote, provided however that when a lender has taken possession of any Lot of North Bench Farms, the lender shall be deemed to have succeeded to the interest of the trustor or mortgagor, and shall then be entitled to cast that vote.

2.10 Simple Majority. Unless a greater vote is required by Utah law, the Declaration or the Articles of Incorporation of the Association (the "Articles of Incorporation"), any matter placed before the Members for a vote shall pass if there is an affirmative vote of the majority of the votes entitled to be cast by the Members. Election of Trustees and other matters may be voted by secret ballot or by show of hands or such other means as the officer conducting the meeting shall determine.

2.11 Waiver of Irregularities. Any inaccuracies, irregularities, or errors in any call for a meeting or notice of meeting, inaccuracies or irregularities in the determination of a the presence of a majority of the votes entitled to be cast or acceptance of proxies are deemed waived unless there is a objection stated at the meeting prior to the vote being taken.

2.12 Informal Action. Any act which is required to be taken or approved at a meeting may be taken or approved without a formal meeting if Members holding a majority of the total voting power within the Association consent to the action in writing prior to the action being taken.

The Members may hold meetings for which formal notice was not given if the Members waive notice prior to the meeting.

### ARTICLE III BOARD OF TRUSTEES

3.1 General Powers. The Board of Trustees shall have authority to manage and control the property and affairs of the Association. The Board of Trustees may exercise all powers conferred upon them by law, by the Articles of Incorporation, by the Declaration or by these Bylaws, including, without limitation, conveying, transferring or otherwise disposing of all or any portion of the Common Area, making Assessments against the Members for payment of their portion of the Common Expenses as provided and defined in the Declaration; provided however, that those powers which are specifically reserved to the Members by law, the Articles of Incorporation or the Declaration shall be exercised only by the Members. The Board of Trustees may delegate to the Officers or other appropriate persons such of its powers as are appropriately delegated.

3.2 Number, Tenure, Management Committee. There shall be three Members of the Board of Trustees. As of the date of these Bylaws, the three (3) Members of the Board of Trustees are Jeffrey M. Vitek, R. Erich Grosse and William M. Grosse. The Trustees shall each serve for a term of one (1) year, but Trustees may be elected to additional terms. The Trustees shall serve until the annual meeting at the end of their respective terms in which a trustee's successor is elected, and the Trustees shall continue to serve until their successors have assumed office; provided, however, that a Trustee may resign at any time by giving written notice to the Association and upon such resignation a replacement Trustee may be appointed by the remaining Trustees or Members to complete the term of the Trustee who resigned. At each annual meeting, only those Trustees whose terms have expired will stand for election. Trustees need not be residents of the State of Utah. Unless otherwise appointed by the Developer or the Members as defined and provided in the Declaration, each of the three (3) Members of the Board of Trustees shall be deemed to be the three (3) members of the Management Committee and they may exercise any and all rights, powers and interests granted to them pursuant to the Declaration.

3.3 Board Meetings. The Board of Trustees shall have at least one meeting per year. The Trustees may meet as often as they see fit, and as required by law or the Articles for purposes of approving annual reports, tax returns, and similar matters. Special meetings may be called by the Chairman of the Board of Trustees or by a majority of the Board by giving notice to the other Board members. Notice of meetings of the Board of Trustees will be given in writing or by telephone not more than thirty (30) days, and not less than five (5) days prior to the date of the meeting.

3.4 Quorum. A quorum at a meeting of the Board of Trustees will consist of a simple majority of the Board of Trustees. Members of the Board of Trustees may be counted as present if they are participating in the meeting by telephone. No proxies will be given among members of the Board of Trustees. Actions of the Board of Trustees may only be taken by formal action of the Board of Trustees, and no individual Trustee shall have the authority to act on behalf of the Association in his or her capacity as a Trustee.

3.5 Deadlock. In the event of a deadlock on the Board of Trustees, the Board of Trustees shall immediately call for a special meeting of the Members and, at the direction of the Chairman of the Board of Trustees, either call for the election of a new Board of Trustees, or submit the matter to the Members for determination.

3.6 Compensation. The Board of Trustees shall serve without compensation, provided that their reasonable out of pocket expenses for Association business, including the costs of attending Board of Trustees meetings, may be reimbursed by the Association.

3.7 Resignation or Removal. Any Trustee may resign at any time. Any Trustee may be removed prior to the end of his or her term of office by an affirmative vote of the Members.

3.8 Vacancies. Vacancies on the Board of Trustees will be filled by appointment of a successor by the remainder of the Board of Trustees, provided that any such appointee will be confirmed or rejected at the next regular meeting of the Members. Any such Trustee is to fill the balance of the vacant term which he or she has filled, and will stand for election at the expiration of that term.

3.9 Informal Action by Trustees. The Trustees may take any action they could take in a formal meeting without a formal meeting, provided that the action is authorized in advance in writing signed by a majority of the Board of Trustees, and further provided that all of the Trustees must have been given an opportunity to approve or reject the action. The Trustees may waive notice of meetings by signing written waivers at the time of the meeting. Minutes of all Board of Trustees meetings will be kept, and when a meeting is held without prior notice, the minutes will reflect the written waiver of notice.

#### ARTICLE IV OFFICERS

4.1 Number. The Officers of the Association shall consist of a Chairman of the Board, President, Vice President, Secretary and Treasurer. The Board of Trustees also may appoint any other officers as it deems appropriate.

4.2 Appointment, Tenure. The Officers will be appointed by the Board of Trustees at their annual meeting, and all Officers will serve at the pleasure of the Board and may be removed by a majority vote of the Board in a meeting called for that purpose.

4.3 Duties of the Chairman of the Board. The Chairman of the Board shall preside at meetings of the Board of Trustees and at meetings of Members. He may sign, on behalf of the Association, all legal documents approved by the Board of Trustees, including deeds and mortgages and other contracts and shall have such other powers and responsibilities as assigned to him in the Declaration. In the event that the Chairman of the Board resigns or is removed from his office, he

will still retain his position as a Trustee until such time as he is removed by the Members or resigns as a Trustee.

4.4 Duties of the President. The President may sign, on behalf of the Association, all legal documents approved by the Board of Trustees, including deeds and mortgages and other contracts. The President shall supervise and be primarily responsible for the day to day operation of the Association's affairs, including the hiring and termination of employees and subordinates. The President shall perform such other duties as assigned by the Board of Trustees.

4.5 Duties of the Vice Presidents. One or more Vice Presidents will perform the duties of the President if the President is not available, and shall perform such other duties as designated by the Board of Trustees.

4.6 Duties of the Secretary. The Secretary is responsible to keep accurate records of the Members of the Association and the transfer of their interests to others, to keep minutes at the meetings of the Association Members and the Trustees, and cause notice of any meetings to be issued as called for in these Bylaws, to file annual reports, and to perform all other assignments designated to the Secretary by the Board of Trustees.

4.7 Duties of the Treasurer. The Treasurer shall be responsible for keeping the accounts of the Association and shall perform all other assignments designated to the Treasurer by the Board of Trustees.

4.8 Compensation. The Officers will serve without compensation, provided that their reasonable out of pocket expenses in performing their duties for the Association will be reimbursed. The Board of Trustees may fix such other compensation as it finds appropriate given the responsibility of the Officers.

## ARTICLE V INDEMNIFICATION

5.1 Indemnification Against Third Party Actions. The Association shall defend and indemnify the Officers and Trustees against all actions, claims, and suits brought by third parties against them individually which arise from the exercise of their obligations and duties as Officers and Trustees to the fullest extent provided under Utah law. This shall include all civil, administrative, criminal, or investigative actions whether brought by an individual or a governmental agency. The indemnification shall extend to the payment of reasonable attorneys fees incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement, or judgment.

5.2 Indemnification Against Member Actions. The Association shall defend and indemnify the Officers and Trustees against all actions, claims, and suits brought by Members of the Association against them individually which arise from the exercise of their obligations and duties as Officers and Trustees to the fullest extent provided under Utah law. This shall include all civil,

administrative, criminal, or investigative actions whether brought by an individual or a governmental agency. The indemnification shall extend to the payment of reasonable attorneys fees incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement, or judgment.

5.3 Request For Indemnification When any Officer or Trustee of the Association receives notice of any action referred to above, he or she must give notice to the Chairman of the Board and to the Board of Trustees, stating the nature of the claim, the claimant, and providing all pertinent information about the claim. The Board of Trustees, in the case of an action against an officer or employee, or against a single Trustee, may vote to indemnify the officer, employee or Trustee. In the event that the action is against the Board of Trustees as a whole, or names more than a single Trustee individually, and the claim is entirely covered by and within the policy limits of the Association's insurance coverage, the Board of Trustees may vote to indemnify itself and the individuals named. In the event that the claim exceeds the limits of any insurance coverage, or is not covered, the Board of Trustees may not agree to indemnify itself without presenting the matter to the Association for a vote at a special meeting called for that purpose.


5.4 Liability Insurance. The Board may cause the Association to purchase liability insurance in a reasonable amount necessary to cover general liability of the Association and to specifically cover the indemnity obligations described above.

#### ARTICLE VI AMENDMENT

6.1 Amendment and Replacement of any Prior Bylaws; Conformity with the URNCA. These Bylaws shall amend and replace all other Bylaws, if any, heretofore entered into and executed for the Association. These Bylaws shall comply with the terms and provisions of the URNCA and any and all actions necessary to do so shall be taken, including, without limitation, providing that the terms "Trustees" and "Board of Trustees" contained herein shall, to the extent necessary, be deemed to mean "Directors" and "Board of Directors", respectively, under the URNCA.

6.2 Amendment. These Bylaws may be amended by the Members of the Association from time to time as the Members see fit by a fifty-one percent (51%) majority vote at a meeting called for that purpose.

Adopted as of this 16<sup>th</sup> day of April, 2004.

By:   
Jeffrey M. Vitek  
Chairman of the Board

STATE OF UTAH

) ss.

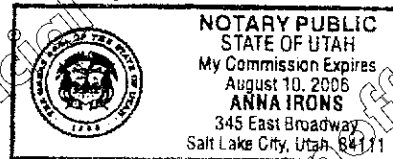
COUNTY OF SALT LAKE )

On April 16, 2004, before me, Anna Irons, Notary Public, personally appeared Jeffrey M. Utah, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument, the person(s) or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Signature

Anna Irons





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