

(Amended effective September 1, 2007)

BYLAWS  
Of the

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STONE RIDGE HOME OWNERS ASSOCIATION, INC.

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**BYLAWS OF STONE RIDGE HOME OWNERS ASSOCIATION, INC.**

**Recitals**

- A. The association has adopted these amended Bylaws (hereinafter referred to for all purposes as the "Bylaws"), effective August 1, 2007, pursuant to an action of the Board of Directors as permitted by the prior Bylaws.
- B. These Bylaws completely supersede any prior Bylaws and any amendments thereto prior to the effective date indicated above.

**ARTICLE I.**  
Offices

Section 1.1 Business Offices. The principal office of the Association shall be located in Bountiful, Utah. The Association may have such other offices, either within or outside Utah, as the Board of Directors ("Board") may designate or as the affairs of the Association may require from time to time.

Section 1.2 Registered Office. If a registered office of the Association is required to be maintained in Utah, it may be, but need not be, the same as the principal office, if in Utah, and the address of the registered office may be changed from time to time by the Board.

**ARTICLE II.**  
Members

Section 2.1 Members. The Members of the Association shall be as set forth in the Articles of Incorporation ("Articles") as they may be amended from time to time.

Section 2.2 Voting Rights. The voting rights of the Members shall be as set forth in the Articles as they may be amended from time to time.

Section 2.3 Record Date. The Board shall have the power to fix in advance a date as a record date for the purpose of determining Members entitled to notice of or to vote at any meeting or to be furnished with any other information or material, or in order to make a determination of membership, for any purpose other than assessments which are provided for in Article VI herein. The Members existing on any such record date shall be deemed Members for such notice, vote, meeting, furnishing of information or material or other purpose and for any supplementary notice or information or material with respect to the same matter and for any adjournment of the same meeting. A record date shall not be less than 10 or more than 50 days prior to the date on which the particular action requiring determination of membership is proposed or expected to be taken or to occur. If no record date is established for a meeting, the date on which notice of such meeting is first given to any Member shall be deemed the record date for the meeting.

**Section 2.4      Annual Meeting.** A regular annual meeting of the Members shall be held in a month to be specified by the Board at the time and place, either within or outside Utah, determined by the Board, for the purpose of electing Directors and transacting such business as may come before the meeting.

**Section 2.5      Quorum.** Except as otherwise provided in the Articles or these Bylaws, the presence in person or by proxy of Members who are entitled to vote more than fifty (50) percent of the total votes of all votes entitled to be cast shall constitute a quorum.

**Section 2.6      Proxies.** Votes may be cast in person or by proxy. Every proxy must be executed in writing by the Member or his duly authorized attorney-in-fact. Except as provided in Article VIII herein, no proxy shall be valid after the expiration of eleven months from the date of its execution, and every proxy shall automatically cease at such time as the Member granting the proxy no longer qualifies as a Member.

**Section 2.7      Majority Vote.** Except as otherwise set forth in the Articles or the Declaration of Protective Covenants, Conditions and Restrictions for the Stone Ridge Subdivision ("Declaration"), the affirmative vote of a majority of the votes represented at a meeting in which a quorum is present shall be the act of the Members unless the vote of a greater number is required by law, the Articles, the Declaration or these Bylaws, as they may be amended from time to time.

**Section 2.8      Obligations of the Members.**

(a) **Assessments.** Each Owner shall be obligated to pay and shall pay to the Association the Annual Assessment levied under the Declaration and Article IV with respect to such Owner's Lot, and each Owner shall comply with any determinations made by the Board with respect to such Annual Assessments. Each Member shall be obligated to pay and shall pay to the Association any Special Assessment imposed under the Declaration and Article IV hereof, as the amount of such assessments applicable to each Member are determined under the provisions thereof. Each Member shall comply with any determinations made by the Board with respect to such assessments.

Each Member shall pay all Maintenance Charges, fines, penalties, interest or other amounts payable to the Association under the Declaration, the Articles or these Bylaws.

(b) **Time for Payments.** The amount of any Assessment, Special Assessment, Maintenance Charge, fine, penalty or other amount payable with respect to any Member or any Member's Lot shall become due and payable as specified in Article VI hereof or by the Board, and any such amount which is delinquent shall bear interest at any rate established by the Board from time to time which does not exceed the maximum legal rate then in effect in Utah, from the date due and payable.

(c) **Lien for Assessments and Other Amounts.** In addition to the rights set forth in Article VI hereof, the Association shall have a lien against each Lot to secure payment of any assessment, charge, fine, penalty or other amount due and owing to the Association with respect to the Owner of that Lot, plus interest from the date due and payable, plus all costs and expenses of collecting the unpaid amount, including reasonable attorneys' fees.

**(d) Compliance with the Declaration, Articles, Bylaws and Rules and Regulations.** Each Member shall comply with all provisions of the Declaration, the Articles, these Bylaws and the Stone Ridge Home Owners Association Rules issued by the Board as they may be amended from time to time. Failure to comply with any provisions in the foregoing documents may subject Members to fines assessed by the Board in its discretion and the suspension of membership rights and privileges, including, but not limited to, the right of any Member to vote and the right to use Common Areas.

### **ARTICLE III. Board of Directors**

**Section 3.1 General Powers.** The business and affairs of the Association shall be managed by its Board, except as otherwise provided in the Utah Nonprofit Corporation and Co-operative Association Act, the Articles or these Bylaws.

**Section 3.2 Number, Election, Tenure and Qualifications.** The number of Directors of the Association shall be as determined by the Board from time to time, provided such number shall not be less than three nor more than seven. The initial membership shall be comprised of three (3) Directors. Any action of the Board to increase or decrease the number of Directors, whether expressly by resolution or by implication through the election of additional Directors, shall constitute an amendment of these Bylaws effecting such increase or decrease. Other than the initial Directors who shall hold the term specified in the Articles, each Director shall hold office after election for a period of three years unless otherwise provided by the Board prior to the election of an individual to fill a vacant Director position. It is intended that the terms of the Directors be scheduled to expire such that one third, or if the number of Director positions at a given time is not divisible by three, as near one-third as possible, of the Director positions become open each year. At each annual meeting of the Member, an election shall be held to fill each of the Director positions for which the Director's term has expired. Directors shall continue in office until their successors are elected or appointed and qualify, or until their earlier death, resignation or removal. Directors shall be removable in the manner provided by the Articles and the statutes of the State of Utah.

**Section 3.3 Vacancies.** Any Director may resign at any time by giving written notice to the president or to the secretary of the Association. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum. A Director elected to fill a vacancy shall serve until a meeting of the Members can be called and a Director is elected and qualified to fill the vacancy. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by the affirmative vote of a majority of the office until the next election of Directors at a meeting of the Members and thereafter until his successor shall have been elected and qualified, or until his earlier death, resignation or removal.

**Section 3.4 Regular Meetings.** A regular annual meeting of the Board shall be held in a month to be specified by the Board at the time and place, either within or outside Utah, determined by the Board, for the purpose of transacting such business as may come before the meeting. The Board may provide by resolution the time and place, either within or outside Utah, for the holding of additional regular meetings.

Section 3.5 Special Meetings. Special meetings of the Board may be called by or at the request of the president or any majority of Directors. The person or persons authorized to call special meetings of the Board may fix any place as the place, either within or outside Utah, for holding any special meeting of the Board called by them.

Section 3.6 Notice. Notice of each meeting of the Board stating the place, day and hour of the meeting shall be given to each Director at his mailing address at least five days prior thereto by the mailing of written notice by first class, certified or registered mail, or at least two days prior thereto by personal delivery of written notice or by telephonic or telegraphic notice (and the method of notice need not be the same to each Director). If mailed, such notice shall be deemed to be given when deposited in the United States mail, with postage thereon prepaid. If telegraphed, such notice shall be deemed to be given when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting before, at or after such meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Board need be specified in the notice or waiver of notice of such meeting unless otherwise required by statute.

Section 3.7 Presumption of Assent. A Director of the Association who is present at a meeting of the Board at which action on any Association matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 3.8 Quorum and Voting. A majority of the Directors shall constitute a quorum for the transaction of business at any meeting of the Board, and the vote of a majority of the Directors present in person at a meeting at which a quorum is present shall be the act of the Board. If less than a quorum is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice other than an announcement at the meeting, until a quorum shall be present. No Director may vote or act by proxy at any meeting of Directors.

Section 3.9 Compensation. Directors shall not receive compensation for their services as such, although the reasonable expenses incurred by Directors to attend Board meetings may be paid or reimbursed by the Association. Directors shall not be disqualified to receive reasonable compensation for services rendered to or for the benefit of the Association in any other capacity.

Section 3.10 Executive and Other Committees. By one or more resolutions, the Board may designate from among its members an executive committee and one or more other committees, each of which, to the extent provided in the resolution establishing such committee, shall have and may exercise all of the authority of the Board, except as prohibited by statute. The delegation of authority to any committee shall not operate to relieve the Board or any member of the Board from any responsibility imposed by law. Rules governing procedures for meetings of any committee of the Board shall be as established by the Board, or in the absence thereof, by the committee itself.

Section 3.11 Meetings by Telephone. Members of the Board or any

committee thereof may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

**Section 3.12 Action Without a Meeting.** Any action required or permitted to be taken at a meeting of the Directors or any committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors or committee members entitled to vote with respect to the subject matter thereof. Such consent (which may be signed in counterparts) shall have the same force and effect as a unanimous vote of the Directors or committee members.

**Section 3.13 General Powers.** The Board shall have and may exercise all the powers of the Association except such as are expressly conferred upon the Members by law, by the Articles, the Declaration or these Bylaws as they may be amended from time to time.

**Section 3.14 Additional Powers and Responsibilities.** In addition to its general powers, the Board shall have the authority and the responsibility, acting through the Association's officers, and subject to the provisions of the Declaration:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Articles, the Declaration or the Bylaws as they may be amended from time to time.

(b) To establish, make, amend, publish and enforce compliance with such reasonable rules and regulations governing the operation and use of Common Areas and the personal conduct of the Members and their guests while on or using the Common Areas, and to establish, make, amend, publish and enforce payment of reasonable charges for the use of Common Areas and services.

(c) To maintain in good order, condition and repair Common Areas and all items of personal property used in the enjoyment of such property.

(d) To obtain and maintain insurance in connection with Common Areas and related personal property in the manner and the amounts provided in the Declaration, and such other insurance as the Board may consider appropriate.

(e) To fix, determine, levy and collect Annual Assessments, Special Assessments and Maintenance Charges to meet the Common Expenses and costs of the Association, and to create a reasonable reserve therefor.

(f) To collect promptly all delinquent Assessments and charges by suit or otherwise and to enjoin or seek damages from a Member.

(g) To assess and collect fines against Members who violate the Declaration, the Articles, these Bylaws, and the Stone Ridge Home Owners Association Rules issued by the Board as they may be amended from time to time, as provided for in Section 3.15 of these Bylaws.

(h) To collect any other charges and fees set forth in the Declaration and otherwise provided for in the Articles and these Bylaws, as they may be amended from time to time.

(i) To suspend Member rights and privileges, including voting rights and

the right to use Common Area, for nonpayment of assessments and fines, so long as such assessments and fines remain unpaid.

(j) To issue, or cause an appropriate officer to issue, upon written demand of any Member, a certificate setting forth whether any assessment, charge, fine or penalty has been paid by such Member. Such certificate shall be conclusive evidence against the Association for all purposes, except in the case of fraud. The Association may charge a reasonable fee for such certificate, and defend Common Areas from loss and damage by suit or otherwise.

(l) To enter into contracts within the scope of their duties and powers.

(m) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board.

(n) To maintain full and accurate books and records showing all of the receipts, expenses or disbursements of the Association. Any Member may inspect such records upon reasonable notice at any reasonable time.

(o) To prepare and upon request deliver to any requesting Member an annual statement showing all receipts, expenses or disbursements since the last such statement.

**Section 3.15. Assessment of Fines.** The Management Committee is hereby authorized to issue and assess fines for a violation of the Declaration, the Articles, these Bylaws, and any Rules adopted by the Board of Directors.

(a) A fine may be assessed for each and every specific type of violation of each and every specific provision, prohibition, and requirement of the Declaration, the Articles, these Bylaws, and any Rules.

(b) The fine for each and every violation shall be in the specific amount that is provided for in this section as follows:

1. **First Violation.** The Association shall give a written warning to the Member informing him/her that a fine will be imposed if a second similar violation occurs or if a continuing violation is not cured within 48 hours.

2. **Second Violation.** Upon the second violation of the same type after a warning in any one-year time period or continuing uncorrected violation after the initial 48-hour warning period, a fine of **\$25.00** shall be imposed on the Member.

3. **Third Violation.** Upon the third violation of the same type within a one-year period or an uncorrected violation continuing at least ten days after the assessment of the second violation fine, a fine of **\$100.00** shall be imposed on the Member.

4. **Fourth and Subsequent Violation.** Upon the fourth violation of the same type within a one-year period or an uncorrected violation continuing at least ten days after the assessment of the third violation fine, a fine of **\$375.00** shall be imposed on the Member.

(c) A Member who is assessed a fine may request an informal hearing to protest or dispute the fine within fourteen (14) days from the date the fine is assessed. The hearing shall be conducted in accordance with the standards below.

(d) If a hearing is requested, no interest or late fees shall accrue related to the fine until after the hearing has been conducted and a final decision has been rendered by the Board.

(e) All requests for hearing shall be in writing and shall be mailed or delivered to the Association or to the President of the Association.

(f) The hearing must occur within thirty (30) days after the Member delivers a written request for hearing to the Board.

(g) Any hearing as a result of such a request shall be governed by the following rules:

1. The Member must appear at the time and place designated by the Board for the hearing.

2. At the hearing, the Member contesting the fine shall be entitled to fifteen minutes to present evidence to challenge the alleged occurrence of the violation or such other evidence and information as the Member believes is pertinent or appropriate to the consideration of the Board.

3. The Board may establish and announce at the hearing any other reasonable rules regarding the hearing.

4. Within ten days of the hearing, the Board shall issue and mail to the Member a written decision regarding the dispute.

5. The Board's response shall be final.

6. The Board may rely on any reasonable information and evidence in determining whether or not a violation has occurred both initially and after a hearing.

7. Fines not paid by the monthly assessment due date following their issuance shall accrue interest and late fees the same as any other late assessment amount, and may be collected as an unpaid assessment as set forth in the Declaration, the Articles, these Bylaws, and the Stone Ridge Home Owners Association Rules issued by the Board as they may be amended from time to time.

8. Fines may be imposed in addition to or in lieu of other remedies to cure a violation as established by the Association's governing documents. The Member shall be liable for all out-of pocket costs the Association incurs to cure a violation.

#### **ARTICLE IV.** Officers and Agents

Section 4.1 Number and Qualifications. The Declaration provides that the "day-to-day" operation of the Association shall be the responsibility of the "Manager." The term "president" as used in the Bylaws shall mean and be synonymous with the term Manager as used in the Declaration. The officers of the Association shall be a president, a secretary and a treasurer. The Board may also elect or appoint such other officers, assistant officers and agents, including an executive Director, vice presidents, a controller, assistant secretaries and assistant treasurers, as it may consider necessary. One person may hold more than one office at a time, except that no person may simultaneously hold the offices of president and secretary. Officers need not be Directors of the Association.

**Section 4.2      Election and Term of Office.** The elected officers of the Association shall be elected by the Board at any regular or special meeting of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon as convenient thereafter. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his earlier death, resignation or removal.

**Section 4.3**

**Section 4.3      Compensation.** The compensation of the officers shall be as fixed from time to time by the Board, and no officer shall be prevented from receiving a salary by reason of the fact that he is also a Director of the Association. However, during any period in which the Association is a private foundation as described in section 509(a) of the Internal Revenue Code, no payment of compensation (or payment or reimbursement of expenses) shall be made in any manner so as to result in the imposition of any liability under section 4941 of the Internal Revenue Code.

**Section 4.4      Removal.** Any officer or agent may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not in itself create contract rights.

**Section 4.5      Vacancies.** Any officer may resign at any time, subject to any rights or obligations under any existing contracts between the officer and the Association, by giving written notice to the president or to the Board. An officer's resignation shall take effect at the time specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

A vacancy in any office, however occurring, may be filled by the Board for the unexpired portion of the term.

**Section 4.6      Authority and Duties of Officers.** The officers of the Association shall have the authority and shall exercise the powers and perform the duties specified below and as may be additionally specified by the Board or these Bylaws, except that in any event each officer shall exercise such powers and perform such duties as may be required by law.

(a)      **President.** The president shall, subject to the direction and supervision of the Board, (i) be the chief executive officer of the Association and have general and active control of its affairs and business and general supervision of its officers, agents and employees; (ii) preside at all meetings of the Board; (iii) see that all orders and resolutions of the Board are carried into effect; and (iv) perform all other duties incident to the office of president that may be assigned to him by the Board from time to time.

(b)      **Vice-Presidents.** The vice-president or vice-presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the Board. The vice-president (or if there is more than one, then the vice-president designated by the Board, or if there be no such designation, then the vice-presidents in order of their election) shall, at the request of the president, or in his absence or inability or refusal to act, perform the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions upon the president.

(c)      **Secretary.** The secretary shall: (i) keep the minutes of the proceedings of the Board and any committees of the Board; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (iii) be custodian of the Association records; and (iv) in general, perform all duties incident to the

office of secretary and such other duties that may be assigned to him by the president or by the Board from time to time. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

(d) Treasurer. The treasurer shall: (i) be the principal financial officer of the Association and have the care and custody of all its funds, securities, evidences of indebtedness and other personal property and deposit the same in accordance with the instructions of the Board; (ii) receive and give receipts and acquittances for moneys paid in on account of the Association, and pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity; (iii) unless there is a controller, be the principal accounting officer of the Association and as such prescribe and maintain the methods and systems of accounting to be followed, keep complete books and records of account, prepare and file all local, state and federal tax returns and related documents, prescribe and maintain an adequate system of internal audit, and prepare and furnish to the president and the Board statements of account showing the financial position of the Association and the results of its operations; (iv) upon request of the Board, make such reports to it as may be required at any time; and (v) perform all other duties incident to the office of treasurer and such other duties that may be assigned to him by the president or the Board from time to time. Assistant treasurers, if any, shall have the same powers and duties, subject to supervision by the treasurer.

Section 4.7 Surety Bonds. The Board may require any officer or agent of the Association to execute to the Association a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association.

## ARTICLE V. Indemnification

Section 5.1 Indemnification of Directors, Officers, Etc. The Association hereby declares that any person who serves at its request as a Director, officer, employee, chairman or member of any committee, or on behalf of the Association as a Director, Director or officer of another association, whether for profit or not for profit, shall be deemed the Association's agent for the purposes of this Article and shall be indemnified by the Association against expenses (including attorneys' fees), judgments, fines, excise taxes, and amounts paid in settlement actually and reasonably incurred by such person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of such service, provided such person shall have been adjudged to not be liable for negligence or misconduct in the performance of his duty to the Association unless and, only to the extent that the court in which such action, suit or proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such court shall deem proper.

Section 5.2 Indemnification in Criminal Action. No indemnification shall be made in respect of any criminal action or proceeding as to which a person covered by Section 5.1 shall have been adjudged to be guilty unless and only to the extent that the court in which such action or proceeding was brought shall determine upon application that, despite the adjudication of guilt but in view of all the circumstances of the case, such person is entitled to indemnification for such expenses or fines which such court shall deem proper.

**Section 5.3     Other Indemnification.** The indemnification provided by this Article shall not be deemed exclusive of any other rights to which any person may be entitled under the Articles, any agreement, any other provision of these Bylaws, vote of the disinterested Directors or otherwise, and any procedure provided for by any of the foregoing, both as to action in his official capacity and as to action in another capacity while holding such office.

**Section 5.4     Period of Indemnification.** Any indemnification pursuant to this Article shall (a) be applicable to acts or omissions which occurred prior to the adoption of this Article, and (b) continue as to any indemnified party who has ceased to be a Director, officer, employee or agent of the Association and shall inure to the benefit of the heirs and personal representatives of such indemnified party. The repeal or amendment of all or any portion of these bylaws which would have the effect of limiting, qualifying or restricting any of the powers or rights of indemnification provided or permitted in this Article shall not, solely by reason of such repeal or amendment, eliminate, restrict or otherwise affect the right or power of the Association to indemnify any person, or affect any right of indemnification of such person, with respect to any acts or omissions which occurred prior to such repeal or amendment.

**Section 5.5     Insurance.** By action of the Board, notwithstanding any interest of the Directors in such action, the Association may, subject to Section 5.7, purchase and maintain insurance, in such amounts as the Board may deem appropriate, on behalf of any person indemnified hereunder against any liability asserted against him and incurred by him in his capacity of or arising out of his status as an agent of the Association, whether or not the Association would have the power to indemnify him against such liability under applicable provisions of law. The Association may also purchase and maintain insurance, in such amounts as the Board may deem appropriate, to insure the Association against any liability, including without limitation, any liability for the indemnifications provided in this Article.

**Section 5.6     Right to Impose Conditions to Indemnification.** The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article, such reasonable requirements and conditions as the Board may deem appropriate in each specific case, including but not limited to any one or more of the following: (a) that any counsel representing the person to be indemnified in connection with the defense or settlement of any action shall be counsel that is mutually agreeable to the person to be indemnified and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the person to be indemnified; and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified person's right of recovery, and that the person to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

**Section 5.7     Limitation on Indemnification.** Notwithstanding any other provision of these Bylaws, the Association shall neither indemnify any person nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with qualification of the Association as an organization described in section 501(c)(3) of the Internal Revenue Code or would result in liability under section 4941 of the Internal Revenue Code.

## ARTICLE VI.

### Assessments

**Section 6.1      Annual Assessments.** Commencing with the 1993 calendar year, the Board shall assess against and subsequently collect from the Owner of each Lot, an Annual Assessment. The Annual Assessment shall be determined by the Board in accordance with the Declaration and with budget estimates for the forthcoming fiscal year. The Board shall send by first class mail, postage prepaid, a notice or notices to each Owner at the address of said Owner as shown on the records of the Association, setting forth the Annual Assessment relative to each Lot owned by such Owner.

**Section 6.2      Special Assessments.** In addition to the Annual Assessments, the Association may levy, in any assessment period, a Special Assessment applicable to that period only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for the purpose of defraying other extraordinary expenses, provided that any such assessment shall have the assent of a majority of the total number of votes held by the Members who are voting in person or by proxy at a meeting duly called for such purpose.

**Section 6.3      Maintenance Charges.** In addition to the above assessments, the Board may levy Maintenance Charges in accordance with the Declarations.

**Section 6.4      Establishment of Annual Assessment Period.** The period for which the Annual Assessment is to be levied (the "Assessment Period") shall be the calendar year. The Board in its sole discretion from time to time may change the Assessment Period by recording with the Davis County an instrument specifying the new Assessment Period.

**Section 6.5      Collection.** The amount of any Annual Assessment, Special Assessment or Maintenance Charge (collectively the "Assessments") assessed against the Owner of a Lot is a debt of the Owner at the time the Assessment is made and is collectible as such. Suit to recover a money judgment for unpaid Assessments is maintainable without foreclosing or waiving the lien securing it. The Association is entitled in a money judgment action to recover its costs of suit and reasonable attorneys' fees.

**Section 6.6      Lien.** If an Owner of a Lot fails or refuses to make payment for any Assessment when due, the amount of the Assessment plus interest, collection costs and reasonable attorneys fees, constitutes a lien upon the Owner's Lot and upon the recording of notice of the lien by the Board, it is a lien upon the Owner's Lot prior to all other liens and encumbrances, recorded or unrecorded, except: (1) tax and special assessment liens on the Owner's Lot in favor of any assessing unit or special improvement district, and (2) encumbrances on the Owner's Lot recorded prior to the date such notice is recorded.

**Section 6.7      Collection Costs.** Any Assessment or installment thereof not paid when due shall be deemed delinquent and in the discretion of the Board may bear interest from thirty days after the due date until paid at a reasonable rate to be determined by the Board, and the Owner shall be liable for all costs, including attorneys' fees, which may be incurred by the Association in collecting the same. The applicable interest rate on delinquent Assessments shall be determined on a daily basis. The Board may also establish a fixed fee to reimburse the Association for the Association's cost in recording a notice of lien pursuant to Section 6.6, processing the delinquency and recording a release of said lien, which fixed fee

shall be treated as a collection cost of the Association secured by the assessment lien.

**S Section 6.8 Evidence of Payment.** Upon receipt of a written request by a Member or any other person, the Association within a reasonable period of time thereafter shall issue to such Member or other person a written certificate stating (a) that all Annual and Special Assessments and Maintenance Charges (including applicable interest, costs and attorney's fees, if any) have been paid with respect to a specified Lot as of the date of such certificate, or (b) if all Assessments and charges have not been paid, the amount of such Assessments and charges (including interest, costs and attorney's fees, if any) due and payable as of such date. The Association may make a reasonable charge for the issuance of such certificates, which charges must be paid at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matter therein stated as against any bona fide purchaser of, or lender on, the Lot in question.

## ARTICLE VII.

### Evidence and Determination of Membership, Registration of Mailing Address and Lien Holders

**Section 7.1 Evidence of Membership and Registration of Mailing Address.** Any party on becoming a Member shall furnish to the Association a photocopy or a certified copy of the recorded instrument, or a copy of other documentation, vesting that party with the interest required to make it a Member of the Association. Each such Member shall at the same time give a single name and address to which notices to such Member may be sent. The Member shall state in such notice the number of votes to which it believes it is entitled and the basis for such determination. In the event of any change in the facts reported in the original written notice, including any change of ownership, the Member shall give a new written notice to the Association containing all the information required to be covered by the original notice. As against any Member, and any party claiming by, through or under such Member, the Association may, but shall not be obligated to, rely, for any and all purposes, on the information reflected in the most recent written notice furnished with respect to such Member. The Association shall keep and preserve the most recent written notice received by the Association with respect to each Member.

**Section 7.2 Determination as to Membership.** The Association, based upon written notices furnished by Members as aforesaid and based upon its own investigation, shall have the right, authority and obligation to fix and determine the number of votes existing with respect to each Member. The Association shall make such determination at least annually and, in any event, as of any record date and shall make supplemental determinations from time to time as may be necessary after any record date in the light of changes which may come to its attention. The Association shall keep records of its determinations hereunder which shall be used and may be relied upon by it for any and all purposes. No party shall be entitled to any notice or the right to vote until it has been determined by the Association that such party is a Member. Any party aggrieved by any determination of the Association with respect to its voting rights may contest such action within 45 days after it has notice thereof by commencing a legal action in the District Court of Davis County within such 45-day period. If such action is not commenced in such period, the determination of the Association shall be final.

The lien for nonpayment of any Assessment may be enforced by sale or foreclosure of the Owner's Lot by the Board. The sale shall be conducted in the same manner as foreclosures in deeds of trust or mortgages or in any manner permitted by law. The Owner shall pay the costs, expenses and reasonable attorneys' fees of any foreclosure or sale.

The Board in cases of extreme hardship may release any such lien if it receives other security for the payment of the delinquent Assessments which it deems sufficient to protect the interests of the Association.

Section 7.3 Liens. Any Member who mortgages or grants a deed of trust covering his Lot shall notify the Board of the name and address of the mortgagee or beneficiary of the deed of trust and shall file conformed copies of the note and security instrument with the Board. Such notice shall include an agreement by the lending institution that it will notify the Association when its lien has been released. The Board, when giving notice to a Member of default in paying an assessment or other default, shall send a copy of such notice to each mortgagee or beneficiary of a deed of trust covering such Member's Lot whose name and address has theretofore been filed with the Association, and which has not been removed by appropriate notice that the lien has been released. However, failure to give such notice to a mortgagee shall not invalidate the notice to a Member.

## ARTICLE VIII.

### Security Interest in Membership

Members shall have the right irrevocably to constitute and appoint the mortgagee or the beneficiary of a trust deed their true and lawful attorney-in-fact to vote in the Association at any and all meetings of the Association and to vest in the mortgagee or the beneficiary any and all rights, privileges and powers that they have as Members under the Articles and these Bylaws or by the virtue of the Declaration as it may be amended from time to time. Such proxy and vesting shall become effective upon the filing of notice by the mortgagee or the beneficiary with the secretary of the Association at such time or times as the mortgagee or the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Board or the Members to carry out their duties as set forth in the Declaration. A release of the mortgage or the beneficiary's deed of trust shall operate to revoke such proxy and vesting. Nothing contained in this Article VIII shall be construed to relieve Members, as mortgagors, of their duties and obligations as Members or to impose upon the mortgagee or the beneficiary of the deed of trust the duties and obligations of an Owner.

## ARTICLE IX.

### Design Review Committee

The Board shall establish a Design Review Committee consisting of an odd number of Members, at the discretion of the Board, and in accordance with the Declaration as it may be amended from time to time, which shall have the duties and perform the functions described therein. The Design Review Committee shall adopt rules and regulations to carry out its duties contained in the Declaration. The Board shall review these rules and regulations and make amendments to such as they deem necessary and appropriate. Each Member and the Association shall be bound by the Design Review Committee's rules and regulations, a copy of which shall be maintained in the records of the Association and available for inspection by Members of the Association at all reasonable times.

## ARTICLE X.

### Miscellaneous

Section 10.1 Account Books, Minutes, Etc. The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board and committees. All books and records of the Association may be inspected by any Director or his accredited agent or attorney, for any proper purpose at any reasonable time.

Section 10.2 Fiscal Year. The fiscal year of the Association shall be as established by the Board.

Section 10.3 Conveyances and Encumbrances. Property of the Association may be assigned, conveyed or encumbered by such officers of the Association as may be authorized to do so by the Board, and such authorized persons shall have power to execute and deliver any and all instruments of assignment, conveyance and encumbrance; however, the sale, exchange, lease or other disposition of all or substantially all of the property and assets of the Association shall be authorized only in the manner prescribed by applicable statute.

Section 10.4 Conflicts of Interest. If any person who is a Director or officer of the Association is aware that the Association is about to enter into any business transaction directly or indirectly with himself, any member of his family, or any entity in which he has any legal, equitable or fiduciary interest or position, including without limitation as a Director, officer, shareholder, partner, beneficiary or trustee, such person shall (a) immediately inform those charged with approving the transaction on behalf of the Association of his interest or position, (b) aid the persons charged with making the decision by disclosing any material facts within his knowledge that bear on the advisability of such transaction from the standpoint of the Association, and (c) not be entitled to vote on the decision to enter into such transaction.

Section 10.5 Loans to Directors and Officers Prohibited. No loans shall be made by the Association to any of its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until it is repaid.

Section 10.6 References to Internal Revenue Code. All references in these bylaws to provisions of the Internal Revenue Code are to the provisions of the Internal Revenue Code of 1986, as amended, and shall include the corresponding provisions of any subsequent federal tax laws.

Section 10.7 Amendments. The power to alter, amend or repeal these Bylaws and adopt new Bylaws shall be vested in the Board.

Section 10.8 Severability. The invalidity of any provision of these Bylaws shall not affect the other provisions hereof, and in such event these Bylaws shall be construed in all respects as if such invalid provision were omitted.

BYLAWS CERTIFICATE

The undersigned certifies that (s)he is the Secretary of Stone Ridge Home Owners Association, Inc., a Utah nonprofit association, and that, as such, (s)he is authorized to execute this certificate on behalf of said Association, and further certifies that attached hereto is a complete and correct copy of the presently effective Bylaws of said Association.

Dated: 08-29-07, 2007.

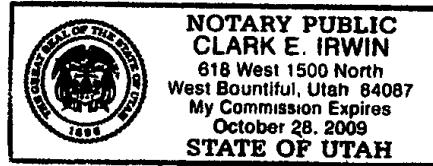
Sandra Grimm

Secretary, Stone Ridge Home Owners Association, Inc.

NOTARY CERTIFICATION

I hereby certify that Sandra Grimm, appeared before me as the Secretary of the Association and signed the aforesaid document in her capacity as such.

Clark E. Irwin Signature



AMENDMENT AFFECTS THE FOLLOWING DESCRIBED PROPERTY

ALL OF STONE RIDGE SUBDIVISIONS A,B,C,D,E,F,G, AND H , LOCATED IN BOUNTIFUL, DAVIS COUNTY UTAH.

04-126- 0102 to 0105, 0108 to 0117

04-127- 201 to 209

04-128- 301, 0309 to 0312, 0314, 0318 to 0319, 0321, 0323 to 0325

04-129- 401 to 0502, 0505 to 0510, 0512

04-130- 401 to 0404, 0406, 0407

04-131- 601, 0608, 0611, 0612, 0604, 0615, 0614

05-115- 0801 to 0804, 0806, 0810, 0811, 0812, 0808

04-141- 0703, 0704, 0705, 0707, 0708, 0709, 0710, 0711, 0712, 0716, 0718