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**BYLAWS**  
**OF**  
**STILLWATER AT SARATOGA SPRINGS**  
**A PLANNED UNIT DEVELOPMENT**

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**BYLAWS**  
**OF**  
**STILLWATER AT SARATOGA SPRINGS**

**ARTICLE I**

**Name and Office**

The name of the Association is Stillwater at Saratoga Springs Owners Association, Inc., a Utah non-profit corporation, hereafter referred to as the "Association." The office of the corporation and principal place of business will be located at 2520 North University Avenue Suite 50, Provo, Utah. This office address may be changed from time to time by the Board of Trustees. If the office and principle place of business are changed the Members shall be notified either in writing or at the annual meeting. The registered agent shall be Donald E. McCandless, at the office of Scribner & McCandless, P.C., 2696 North University Avenue, Suite 220, Provo Utah 84604.

**ARTICLE II**

**Membership and Voting**

**Section 1: Membership.** Members consist of the Declarant and persons, or entities owning one (1) or more Lots or Condominiums within Stillwater at Saratoga Springs, the Project, as described in the legal description attached as Exhibit "A." Membership in the Association may not be pledged, alienated, or transferred, except pursuant to a conveyance of a Lot or Condominium.

**Section 2: Voting.** While all Owners shall be Members of the Association, for voting purposes only one vote is allowed for each Lot or Condominium, no matter how many Owners of that Lot or Condominium may exist. Persons holding Lots or Condominiums in joint tenancy or after partition must designate who among them shall act as their representative and hold the ability to cast the single vote for that Lot or Condominium.

There shall be 237 votes in the Association for the single family Lots and 144 votes in the Association for the Condominiums. However, in the event the City of Saratoga Springs shall modify the total number of Lots and/or Condominiums which can be constructed on the Project, the total number of votes in the Association shall be adjusted accordingly. .

Voting rights for each Lot and/or Condominium shall not vest until the Association has levied assessments against those Lots and Condominiums as set forth herein provided, however, that Declarants voting rights shall vest upon the recordation of these Bylaws.

An affirmative vote of the majority present at a scheduled meeting, in person or by proxy, is considered to be an action of the Members. No vote may be taken unless quorum requirements set forth in article III below are satisfied. In cases where amendments to the Declaration are proposed, or proposals to raise the regular or special assessments above the amount the Board is authorized to establish, a sixty-seven percent (67%) affirmative vote is required.

## ARTICLE III

### Members' Meetings

**Section 1: Annual Meetings.** Regular meetings of the Members shall be held annually on the second Tuesday of March at the Project or at the location, date and time as designated by the Board of Trustees.

**Section 2: Special Meetings.** Special meetings may be called as necessary by the Board of Trustees or by request of Members holding thirty-five percent (35%) of all the votes of the membership.

**Section 3: Notice of Meetings.** Written notice of each meeting shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. Such notice shall include an agenda for the meeting as well as specifying the date, hour, and place of the meeting.

**Section 4: Members of Record.** The Board of Trustees will secure a current record of all Members before any meeting of the Members. Only those on this record will receive the notification of the meetings, and be eligible to participate in the discussions and voting.

**Section 5: Quorum.** Fifty-one percent (51%) of the Members, appearing in person or by proxy, must be present at any annual or specially scheduled Members meeting to constitute a quorum and conduct business. If a quorum is not present, the very same agenda may be rescheduled within sixty (60) days for a secondary meeting to conduct the same business, this time with a quorum consisting of twenty five percent (25%) of the Members appearing in person or by proxy.

**Section 6: Voting.** Voting shall be conducted as set forth in article II above.

**Section 7: Proxies.** At all meetings of Members a Member may vote by proxy executed in writing by a Member or by his duly authorized attorney-in-fact. Such proxy shall be delivered to the secretary of the corporation or to the officer or person who may be acting as secretary prior to the meeting. The secretary shall enter a record of all proxies in the minutes of the meeting. Proxies can vote to approve amendments to the Declaration but cannot sign the documents.

**Section 8: Action Taken Without a Meeting.** Any action that requires a meeting or any

action that may be proposed at a meeting may be taken without a meeting, and without prior notice if a written ballot is distributed to every Member entitled to vote, setting forth the proposed action and providing a reasonable time for the Members to signify approval or disapproval of the proposal and return the ballot to the Association. The number of votes cast by ballot must equal or exceed the quorum required to be present at a meeting as specified in Section 5 above.

## ARTICLE IV

### Trustees

**Section 1: General Powers.** The Board of Trustees shall manage the business of the Association.

**Section 2: Number and Tenure.** At the first annual meeting of the Association, not less than three (3) nor more than five (5) Trustees shall be elected. Trustees may change the number of Trustees by majority vote, provided that a reduction in the number of Trustees will not have the effect of removing a Trustee. At the first annual meeting, Trustees will be elected for staggered terms of one (1), two (2), and three (3), years. Thereafter, each Trustee will be elected for a three (3) year term.

**Section 3: Meetings.** Meetings of the Board of Trustees shall be held at least quarterly at the convenience of the Board members, providing they are scheduled by the president and notice is provided at least seventy-two (72) hours in advance. If a member of the Board was not notified of the meeting, and objects to any of the business conducted therein, such business will be deemed inconclusive and deferred to the next scheduled Board meeting. Special meetings of the Board of Trustees shall be held when called by the Association president, or by any two (2) Trustees after not less than seventy-two (72) hours notice.

**Section 4: Quorum.** A simple majority of the Board of Trustees in attendance at a Board meeting shall constitute a quorum.

**Section 5: Board Actions.** An act of the majority of the Board shall be an act of the Board of Trustees, except when unanimous Board approval is required by the CC&R's.

**Section 6: Presumption of Assent.** Any member of the Board of Trustees present at the Board meeting shall be assumed to be in assent unless his/her dissent is so registered as a vote.

**Section 7: Nomination and Election.** Trustees shall be nominated for election from the floor at the annual meeting. Nomination may also be made by a nominating committee appointed by the Board of Trustees. Appointment to the nominations committee shall be for a term of one (1) year. Nominations may be made from among the Members of the Association or nonmembers of the Association.

**Section 8: Election.** Members or their proxies shall cast their vote for election to the Board of Trustees by secret written ballot.

**Section 9: Resignation and Removal.** Trustees may be removed with or without cause at any time by a vote of the Members holding a majority of the votes entitled to vote. Such vacancy may be filled by the remaining Trustees then in office, though less than a quorum, to hold office until the next annual meeting or until his or her successor is duly elected and qualified, except that any trusteeship may be filled by election by the Members at a meeting at which the Trustee is removed. A Trustee may resign from the Board upon prior written notification to all other Trustees.

**Section 10: Vacancies.** Work that must be done when Board members resign or are removed from the Board of Trustees will be conducted by other Board members until the next annual meeting.

**Section 11: Compensation.** Trustees shall not receive compensation for services rendered as a Trustee except for reimbursements incurred during the performance of his or her duties or services rendered to the Association other than as Trustee.

**Section 12: Declarant Control.** Notwithstanding any provision to the contrary contained herein, the Declarant shall have the exclusive right to appoint and remove all Trustees until such time as the responsibility for electing Trustees is turned over to the Owners. Unless earlier terminated or waived by Declarant, this exclusive right shall terminate upon the last to occur of the following: two (2) years from the time the first Lot or Condominium in the Project is conveyed, or when fifty-one percent (51%) of the Lots and Condominiums in the Project are sold.

## ARTICLE V

### **Powers and Duties of the Board of Trustees**

**Section 1: Powers.** The Board of Trustees shall have power to exercise of behalf of the Association all power, duties and authority not reserved to the membership by other provisions of these Bylaws, the Articles, or Declaration. The Board of Trustees shall:

1.1 Adopt rules and regulations governing the use of the common areas of the Project, including the clubhouse, pool, and other facilities and equipment. This includes the right to establish rules regarding the personal conduct of the Members and their guests when using the same, including the right to suspend, for a specified period of time, the right of Members to use the facilities

1.2 Hire accountants, managers, employees, independent contractors, or others as they deem necessary.

1.3 Suspend the voting rights of a Member for non-payment of any Assessment levied by the Association so long as the default continues. File and enforce liens for non-payment of assessments of any kind.

1.4 Enter into general or specific contracts to execute their responsibilities on behalf of the Association.

1.5 Appoint members of the Design Review Committee. Enforce all land use provisions set forth in the declarations.

1.6 Engage in any acts expressed or implied in the Declaration.

**Section 2: Duties** The Board of Trustees shall have the duty to:

2.1 Maintain a complete and accurate membership record, minutes of Board of Trustee and Member meetings, and of all corporate acts, affairs and finances.

2.2 Prepare annual financial statements and distribute the same to the Members not more than ninety (90) days following the close of each financial year.

2.3 Prepare proforma operating statements and fix the amount of the annual assessments against each Lot and Condominium at least thirty (30) days prior to the beginning of each financial year and send written notice of each Assessment to every Owner.

2.4 Bring action at law against the Owner or foreclose the lien against any Lot or Condominium for which Assessments are not timely paid.

2.5 Provide of the attractive maintenance of the Common Areas and facilities of the Project.

2.6 Procure and maintain adequate liability and hazard insurance on property owned by the Association and adequate indemnity insurance for Officers and Trustees.

2.7 Support and enforce the Design Guidelines, and appoint members of the Design Review Committee.



## ARTICLE VI

### Officers

**Section 1: Enumeration of Officers.** The officers of the Association shall be elected from among the members of the Board of Trustees. Elected officers shall include a President, Vice President, Secretary, and Treasurer. The Board will appoint other officers as needed, from trustees or non-trustees.

**Section 2: Election and Term of Office.** The officers of the corporation shall be elected annually by the Board of Trustees at the meeting of the Board of Trustees held after each annual meeting of Members. If the election of officers is not conducted at such meeting, the election shall be held as soon thereafter as is conveniently possible. Vacancies may be filled or new offices filled by appointment of the board of Trustees at any meeting of the Board of Trustees. Each officer shall hold office until his or her successor shall have been duly elected and qualified or until his or her death or until he or she shall resign or shall have been removed in the manner herein provided. Election or appointment of an officer or agent shall not of itself create contract rights.

**Section 3: Special Appointments/Multiple Officers.** The Board of Trustees may elect other officers to serve for a period of time and perform such duties as the Board may determine. The offices of secretary and treasurer may be held by the same person.

**Section 4: Resignation and Removal.** Any officer may resign from office at any time by giving written notice to the Board of Trustees. Such resignation shall be effective as of the date of the written notice. Any officer may be removed from office by vote of the Board of Trustees.

**Section 5: Duties of Officers.** The duties of the officers are as follows:

**President:** The president shall preside at all meetings of the Board of Trustees, execute all written instruments on the behalf of the Board, see that orders, resolutions, and rules adopted by the Board are carried out.

**Vice President:** The vice president shall act in place and stead of the president in the event of his absence and shall discharge such other duties as may be required of him by the Board.

**Secretary:** The secretary shall keep minutes of all meetings of the Board and of the Members of the Association and record the actions and proceedings of the same. The secretary shall keep current records of the Members of the Association together with their addresses, shall serve notice of meetings of the Board and Association, and perform other duties as required by the Board.

Treasurer: The Treasurer shall be responsible for the collection of funds, the maintenance of bank accounts for the Association, the disbursement of funds as directed by the Board, and shall, together with the president, sign all checks and prepare annual budgets, income and expense statements, and keep proper books of account.

## ARTICLE VII

### Indemnification

No Officer or Trustee shall be personally liable for any obligations arising out of any acts of conduct of said Officer or Trustee performed for or on behalf of the corporation. The corporation shall and does hereby indemnify and hold harmless each person and his heirs and administrators who shall serve at any time hereafter as a Trustee or Officer of the corporation from and against any and all claims, judgments, liabilities, and expenses, including amounts paid in settlement, to which such persons shall become subject by reason of having heretofore or hereafter been a Trustee or Officer of the corporation, or by reason of any action alleged to have been heretofore or hereafter taken or omitted to have been taken as such Trustee or Officer, and shall reimburse each such person for all legal and other expenses reasonably incurred in connection with any such claim or liability, including power to defend such person from all suits or claims: provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his or her own gross negligence or willful misconduct. The rights accruing to any person under the foregoing provisions of this section shall not exclude any other right to which he or she may lawfully be entitled, nor shall anything herein contained restrict the right of the corporation to indemnify or reimburse such person in any proper case, even though not specifically herein provided for. The corporation, its trustees, officers, employees and agents shall be fully protected in taking any action or making any payment, or in refusing so to do in reliance upon the advice of counsel. As authorized by the Board of Trustees, or vote of the Members, the Association may advance expenses incurred in defending a civil or criminal action, suit or proceeding in advance of the final disposition of such action, suit or proceeding.

## ARTICLE VIII

### Books and Records

**Section 1: Records and Accounting:** The Board of Trustees shall keep accurate minutes of Trustee and Member meetings, of all corporate acts, of all financial accounts and an up to date membership register including names, addresses, and voting rights of Members. The Board shall maintain the books and accounts of the Association, under the direction of the Treasurer, using generally accepted accounting procedures. The Board shall prepare annual financial statements and reports including an annual balance sheet and operating (income) statement for the financial year which shall be distributed to all Members. If directed by a vote of the Members or deemed

necessary by the Board, the Associations financial statements may be audited by an independent public accountant approved by the Association.

**Section 2: Inspection of Records:** The records of the Association including the membership register, minutes of the meetings of the Association and of the Board of Trustees, and the books of account shall be made available to any Owner or its representative for inspection at any reasonable time and at the appointed place as determined by the Board of Trustees.

## ARTICLE IX

### Financial Transactions

**Section 1: Contracts:** The Board of Trustees may authorize any officer to enter into general or specific contracts to execute their responsibilities on behalf of the Association.

**Section 2: Checks, Drafts, etc.** All checks, drafts and other orders for payment of money, notes, or other evidences of indebtedness issued in behalf of the Association must be approved by the President, or in his or her absence the Vice President, and the check signed by two officers authorized by the Board of Trustees.

**Section 3: Deposits:** All funds of the Association will be deposited monthly to the credit of the Association in such banks, trust companies, or other depositories as the Board of Trustees may designate.

## ARTICLE X

### Assessments

Members are subject to Assessment as provided in the provisions of the Declaration. Subject to the restrictions set forth in the Declaration, the Board of Trustees shall determine the amount of the Annual and Special Assessments. The treasurer shall keep detailed records of all receipts and expenditures affecting the Project. Such records shall be available for examination by the Members at any reasonable time and at the appointed place as determined by the Board of Trustees.

## ARTICLE XI

### Amendment


These Bylaws may be amended by a vote of the majority of a quorum of the Members, present in person or represented by proxy, at a regular or special meeting of the Members. Anything in these Bylaws to the contrary notwithstanding, the Declarant reserves the unilateral right to amend all or any part of the Bylaws to such extent and with such language as may be

requested by the Federal Housing Administration, the Veterans Administration, the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Corporation, and to further amend the Bylaws to the extent required by any other federal, state, or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of the Bylaws, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot or Condominium in the Project. In the event of such an amendment, the appropriate written amendment of the Bylaws shall be executed by the Declarant. Other amendments shall be executed by the President and Secretary of the Association.

SECRETARY'S CERTIFICATE

I, the undersigned and duly elected Secretary of Stillwater at Saratoga Springs, a Utah non-profit corporation, do hereby certify that the foregoing Bylaws were adopted as the Bylaws of the corporation on the 1 day of December, 2005, and that the same do now constitute the Bylaws of the corporation.

IN WITNESS WHEREOF, I, have hereunto subscribed my name and affixed the seal of the corporation this 1<sup>st</sup> day of December, 2005.

  
SECRETARY