

**BYLAWS
OF
ELK RIDGE MEADOWS HOMEOWNER'S ASSOCIATION
(A Utah Non-Profit Corporation)**

**ARTICLE I
NAME**

1.1 NAME. The name of the organization shall be Elk Ridge Meadows Homeowner's Association, LLC., hereinafter called the "Association".

**ARTICLE II
PURPOSE AND OWNER OBLIGATION**

2.1 PURPOSE. The Association is organized and shall be operated exclusively as a homeowners association within the meaning of Section 528 of the Internal Revenue Code of 1986, as amended, or the corresponding provision or provisions of any subsequent United States Internal Revenue law or laws. The primary purposes of the Association are to own, lease or license the Common Area (as defined in the Declaration) situated in Elk Ridge Meadows, a development in Utah County, Utah (The City Elk Ridge) to govern, operate and maintain the Common Area, and to provide architectural control and compliance with the covenants and restrictions set forth in the Elk Ridge Meadows Declaration of Covenants, Conditions and Restrictions (the "Declaration") dated as of 3/13/07, executed by Elk Ridge Meadows LLC., a Utah limited partnership ("Declarant").

Managers

2.2 OWNER/TENANT/USER OBLIGATION. All present or future owners or tenants of any of the Lots (as defined in the Declaration) (the Lots, the Common Area and the other real property encumbered by the Declaration are hereinafter collectively called the "Property"), or any other person who might use the facilities of the Common Area in any manner, are subject to the regulations set forth in these Bylaws.

**ARTICLE III
DEFINITIONS AND TERMS**

3.1 DEFINITIONS. Unless a different definition is expressly provided in these Bylaws, capitalized terms shall have the meaning given such terms in the Declaration as amended and/or restated from time to time.

3.2 MEMBERSHIP. Membership in the Association shall vest as follows:

(a) Any person on becoming a record owner ("Owner") of a fee simple interest in all or any part of a Lot shall automatically become a member ("Member") of the Association and shall be subject to these Bylaws and to the Declaration. Neither the holder of a deed of trust or other lien against a Lot securing performance of any obligation nor the beneficiary of any conveyance in trust to secure performance of an obligation shall be an Owner or Member by virtue only of such interest in a Lot. Membership shall terminate without any formal Association action whenever such person ceases to own all or any part of a Lot. Such termination shall not relieve or release any such former owner from any liability or obligation incurred as a Member. No certificates of stock shall be issued by the Association, but the Board of Directors, if it so elects, may issue one Membership Card (herein so called) per Lot to the owner(s) of a Lot. Such Membership Card should be surrendered to the Secretary whenever ownership of the Lot designated therein is terminated.

*LEGAL DESCRIPTION:
ELK RIDGE MEADOWS A Planned Community Development
Phase 2, lots 1-82*

(b) Declarant shall cease to have any special voting rights as a Class B Member or other rights or powers otherwise specially conferred on Declarant pursuant to the Declaration or these Bylaws on the earlier to occur of (i) the date Declarant executes, files and records a notice of termination of such special voting rights and powers in the Official Records of Utah County, Utah, or (ii) the date Declarant no longer owns any portion of the Property (the "Declarant Termination Date"). On such earlier date, Declarant shall cease to be a Member of the Association unless Declarant is otherwise entitled to be a Member under subparagraph (a) above, or unless Declarant then owns an interest in any of the Property, whether subdivided as a Lot or otherwise. Declarant shall be entitled to a total of one vote as a Member of the Association for all real property in the Property owned by Declarant after the Declarant Termination Date that does not constitute a platted Lot.

3.3 VOTING. The Association shall have two classes of voting membership as follows:

CLASS A: Class A Members shall be all Members who own all or any part of a Lot. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest in any Lot, all such persons shall be Members, and the vote for such a Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any Lot. In the event of a dispute among owners of a Lot or Lots entitled to exercise a vote as to which of such owners shall cast a vote, or in the event of a dispute among owners of a Lot or Lots entitled to exercise a vote as to the substance of such vote, the Board of Directors after providing a reasonable opportunity for such owners to resolve their disputes among themselves, determine not to consider or count a vote exercised on account of the affected Lot(s), either for or against a candidate, measure or proposal. Declarant's right, pursuant to Section 3.2(b) of these Bylaws to exercise one vote for all real property in the Property not platted as a Lot and owned by Declarant after the Declarant Termination Date shall constitute a Class A Membership.

CLASS B: The Class B Member shall be Declarant. In addition to any votes to which it may be entitled as a Class A Member, the Class B Member shall be entitled to four votes for each vote allocated to a Class A Member hereunder. On the Declarant Termination Date, the Class B membership shall cease; following the Declarant Termination Date, only Class A membership will exist in the Association.

3.4 MAJORITY OF LOT OWNERS. As used in these Bylaws, a "majority" with regard to action by the Members shall mean the vote of at least 51% of the votes entitled to be cast by the Members present at such meeting in person or by proxy.

3.5 QUORUM. Except as otherwise required or allowed by the terms of the Declaration with regard to amendment of the Declaration, the quorum required for any action authorized to be taken by the Members pursuant to these Bylaws shall be the presence at the meeting of Members, or of proxies, entitled to cast 66% of all votes of the Members. Notice of a meeting of the Members shall be made in compliance with the provisions of Section 4.5 of these Bylaws. Notwithstanding anything else to the contrary in these Bylaws, the Members present at any annual or special meeting for which proper notice has been provided as required by these Bylaws shall constitute a quorum for the purpose of electing director(s) and/or approving the minutes of a prior meeting.

3.6 PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary or any person or entity appointed by the Board to serve as property manager of the Association not later than at the start of the meeting at which the votes are intended to be cast by proxy. The presiding officer at each meeting at which Members are entitled to vote on any matter, shall, as the first order of business, provide

an opportunity for any proxies to be filed. In the absence of the Secretary and the property manager of the Association at such meeting, any member of the Board may receive proxies for filing and preserving among the records of the Association.

3.7 INCONSISTENT PROVISIONS OF DECLARATION. In the event that the Declaration, as amended and/or restated from time to time, provides for amendment of the Declaration by the Members in any manner or by any procedure that is inconsistent with the provisions of these Bylaws, such inconsistent manner or procedure shall apply.

ARTICLE IV ADMINISTRATION

4.1 ASSOCIATION RESPONSIBILITIES. The Members will constitute the Association. The responsibilities and affairs of the Association will be administered through a Board of Directors.

4.2 PLACE OF MEETINGS. All annual and special meetings of the Members shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Board of Directors and designated in the notices of such meetings.

4.3 ANNUAL MEETINGS. Annual Meetings shall be scheduled each year at the discretion of the Board of Directors from time to time as may be permitted by law and designated in the notice of meeting.

4.4 SPECIAL MEETINGS. The President of the Association shall call a special meeting of the Members if so directed by resolution of the Board of Directors or a petition signed by Members having not less than 1/10 of the votes entitled to be cast at such meeting and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof.

4.5 NOTICE OF MEETINGS. The Secretary shall send notices of annual and special meetings to each Member of the Association, either personally, by facsimile transmission or by U.S. Mail (postage prepaid), directed to the last known post office address or facsimile number of the Member, as shown on the records of the Association. The notice of any meeting of Members shall be delivered, transmitted by facsimile or mailed, as the case may be, not less than 10 days nor more than 50 days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. If delivered personally, such notice may be left at the at the Member's residence in his absence. If requested, any mortgagee of record or its designee may be entitled to receive similar notice.

4.6 ADJOURNED MEETING. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting until the required quorum is attained, as provided in Paragraph 3.5 hereof.

4.7 ORDER OF BUSINESS. The order of business at all meetings of the Members shall be as follows: (a.) Roll call. (b.) Proof of notice of meeting or waiver of notice. (c.) Reading of minutes of preceding meeting. (d.) Reports of officers. (e.) Reports of committees. (f.) Election of Directors, if applicable. (g.) Unfinished business. (h.) New business.

4.8 MOTIONS. All motions or matters proposed for consideration by the Class B Member at any annual meeting, special meeting, or other meeting of the Association shall be considered and voted upon by the Members, regardless of whether the Class B Member's motion or other matter proposed for consideration

has been seconded by any other Member of the Association.

ARTICLE V BOARD OF DIRECTORS

5.1 NUMBER AND QUALIFICATION. The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons. The members of the Board of Directors shall act in such capacity and shall manage the affairs of the Association until their successors are elected. Directors shall be elected for terms of two (2) years. There shall be three (3) Directors classified as "Group A" Directors, whose terms shall begin and end in even numbered years. There shall be two (2) Directors classified as "Group B" Directors whose terms shall begin and end in odd numbered years. Only Members shall be eligible to serve as a member of the Board of Directors. A Director shall cease to be eligible to serve as a Director on the date the Director ceases to own any Lot(s) or other real property in the Property. No Director shall be eligible to stand for re-election or to be re-elected a Director for a period of two years following the expiration of such Director's term of office after serving as a Director for four continuous years.

5.2 POWERS AND DUTIES. The Board of Directors shall have the powers and duties necessary for the operation and maintenance of the Common Area and the administration of the other responsibilities and affairs of the Association, including, without limitation, the powers and duties set forth in the Declaration. Subject to the provisions of the preceding sentence, the Board of Directors may do all such acts and things that are not by these Bylaws or by the Declaration reserved to the exclusive power to act by the Members.

5.3 OTHER POWERS AND DUTIES. The Board of Directors shall have the following additional duties:

(a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations and other provisions of the Declaration.

(b) To establish and enforce rules, conditions, restrictions, limitations and other provisions necessary for the orderly operation, use and maintenance of the Common Area. (A copy of such rules shall be delivered or mailed to each Member promptly upon the adoption thereof.)

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

(d) To fix, levy and collect the initiation fee, Assessments, Abeyance Fees, other fees and fines to be paid by each of the Lot Owners in accordance with the terms of the Declaration as amended from time to time; and by majority vote of the Board to decrease or increase such fees, and Assessments, subject to the provisions of the Declaration; to levy and collect special Assessments in order to meet increased operating or maintenance expenses or costs, additional capital expenses, and other expenses and costs for which a special Assessment is authorized under the Declaration. All Assessments shall be in itemized statement form and shall set forth in detail the various expenses for which the Assessments are being made.

(e) To collect delinquent fees, fines, or assessments by suit, lien foreclosure (as provided in the Declaration) or otherwise and to enjoin or seek damages from an Owner for violation of the Declaration or the rules or regulations of the Association.

(f) To protect and defend the Common Area from loss and damage by suit or otherwise.

(g) To borrow funds in order to pay for any required expenditure or outlay; to execute all such

instruments evidencing such indebtedness; and to mortgage, pledge or hypothecate any or all of the real or personal property of the Association as security for money borrowed or debts incurred in connection with the affairs of the Association.

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

(i) To maintain complete and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Members and any mortgagee of a Lot. The Association shall cause to be prepared and delivered annually to each Member a statement showing all receipts, expenses or disbursements since the last such statement. Such financial statements shall be available to any mortgagee of a Lot, on request, within 90 days following the fiscal year end of the Association. Any Member may require that the Association cause to be prepared and delivered, at such Member's expense, an audited financial statement of the Association. In addition, each member shall have the right to inspect the books and records of the Association during normal business hours.

G) In general, to carry on the administration of the Association and to further the communal use and enjoyment of the Common Area.

5.4 ELECTION AND TERM OF OFFICE. At each annual meeting of the Members, the Members shall elect a Director for each Directorship, the term of which shall or has expired at the time of such meeting, to hold office until the next succeeding annual meeting concurrent with or following expiration of the term of such office. At each election, the persons receiving the greatest number of votes shall be the Directors. Each Director elected shall hold office for the term for which he is elected and until his successor shall have been elected and qualified or until his earlier death, resignation, disqualification or removal.

5.5 VACANCIES. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each Director so elected shall serve out the remaining term of his/her predecessor.

5.6 REMOVAL OF DIRECTORS. At any regular or special meeting of the Members duly called at which a quorum of those entitled to cast not less than 66% of all votes of the Members is present in person or by proxy, any Director may be removed with or without cause by a majority vote of such Members present in person or by proxy, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

5.7 REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director; either personally, by telephone or by facsimile transmission at least three days prior to the day named for such meeting, or by deposit of notice in the U.S. Mail (postage prepaid) at least seven days prior to the day named for such meeting.

5.8 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President or Secretary, or upon the written request of at least two Directors. The President or Secretary will give notice to each Director of the time, place (as hereinabove provided) and purpose of the meeting, either personally, by telephone or by facsimile transmission at least three days prior to the day named for such meeting, or by deposit of notice in the U.S. Mail (postage prepaid) at least seven days prior to the day named for such

meeting.

5.9 TELEPHONIC MEETING. The Board may participate in and hold a meeting by means of conference telephone or similar communication equipment by which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Special notice of any action by telephonic meeting shall be posted on any sign or marquee, and on any website maintained by the Association as soon as practicable after such action. Any such notice on a website shall disclose how each director voted on any such action.

5.10 WAIVER OF NOTICE. Before or at any meeting of the Board of Directors, any Director may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.11 BOARD OF DIRECTORS QUORUM. At all meetings of the Board of Directors, a majority of Directors shall constitute a quorum for the transaction of business, and the act of the majority of the Directors present at the meeting at which a quorum is present shall be the act of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time.

5.12 COMMITTEES. The Board may establish one or more advisory committees and committees for the purpose of administering or managing the Common Areas or routine or special projects of the Association. The Board may appoint the members of such committees by procedures to be established by the Board. Members and those residing on the Property shall be eligible to serve on such advisory committees. This Section 5.12 shall not apply to the Architectural Committee, the powers of which and appointment to which is governed by the Declaration.

ARTICLE VI OFFICERS

6.1 DESIGNATION. The officers of the Association shall be a President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may also, from time to time, elect one or more vice presidents of the Association. The Board of Directors may, in its sole discretion, elect to combine any two or more offices such that one person shall hold the combined offices, except that the offices of President and Secretary may not be combined, and the office of President and Treasurer may not be combined.

6.2 ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following an election of Group A or Group B Directors and shall hold office at the pleasure of the Board of Directors.

6.3 REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

6.4 PRESIDENT. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of both the Association and the Board of Directors, and shall have all the general powers and duties which are usually vested in the office of President of an association, including without limitation the power to appoint committees from among the Members to assist in the administration of the affairs of the Association. The President, or his designated alternate, shall represent the Association at all meetings of the Association.

6.5 VICE PRESIDENT. Any Vice President elected by the Board of Directors shall perform such duties as may be required of him from time to time by the President or the Board of Directors. A vice president shall perform the functions of president in the president's absence.

6.6 SECRETARY.

(a) The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. The Secretary shall have charge of such books and papers as the Board of Directors may direct and shall, in general, perform all duties incident to the office of the Secretary.

(b) The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

6.7 TREASURER. The Treasurer shall receive and deposit in appropriate bank accounts all money of the Association and shall disburse such money as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board of Directors. The Treasurer shall also have the authority to: keep proper books of account; cause an annual statement of the Association's books to be made at the completion of each fiscal year; prepare an annual budget and a statement of income expenditures to be presented to the Members at their regular annual meeting, and deliver a copy of each to the Members; and perform all other duties assigned to him by the Board of Directors.

6.8 ASSISTANT OFFICERS. The Board may appoint such assistant secretaries and treasurers as the Board determines to be in the best interest of the Association to carry on routine and day-to-day operations of the Association as authorized by the Board.

**ARTICLE VII
OBLIGATIONS OF THE OWNERS**

7.1 FEES AND ASSESSMENTS. All Lot Owners shall be obligated to pay the initiation fee, Assessments, and other fees and fines imposed by the Association in accordance with the Declaration. A Member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of Members, within the meaning of these Bylaws, only if he is current in payment of the initiation fee, Assessments, and other fees and fines levied against him and the Lot owned by him in accordance with the Declaration.

7.2 USE OF THE COMMON AREA. Each Member may use the Common Area in accordance with the purposes for which it is intended, subject to reasonable regulations regarding use adopted by the Board The

Board of Directors shall have the right to suspend a Member's right to use the Common Area (a) in the event such Member is delinquent in the payment of the initiation fee or any assessments as provided in the Declaration and (b) for a reasonable period, in the Board's discretion, in response to any infraction of the Association's rules and regulations.

7.3 GENERAL. Each Owner shall comply strictly with the provisions of the Declaration and shall cause all his/her tenants, guests, and visitors using any part of the Property to comply with the provisions of the Declaration and any regulations regarding use of Common Areas promulgated by the Association.

ARTICLE VIII AMENDMENTS TO BYLAWS

8.1 AMENDMENTS BEFORE DECLARANT TERMINATION DATE. Prior to the Declarant Termination Date, these Bylaws may be amended or repealed, or new bylaws may be adopted, only upon the express written consent of the Members holding at least 3/4 of all the outstanding votes of the Members; or by a resolution passed by a majority of the Board evidencing the consent of the Members holding at least 3/4 of all the outstanding votes of the Members and authorizing the President of the Association to execute such amendments.

8.2 AMENDMENTS AFTER DECLARANT TERMINATION DATE. On and after the Declarant Termination Date, these Bylaws may be amended or repealed, or new bylaws may be adopted, at an annual or special meeting of the Members by the affirmative vote of those holding not less than 2/3 of all votes entitled to be cast in such election, in a manner and procedure as provided in the Declaration (as amended from time to time) for amendment by the Members of the Declaration; provided that the notice requirement shall not prohibit the Members from adopting the proposed amendment, effecting the proposed repeal, or adopting the proposed new bylaws, as the case may be, in a modified form which is not identical to that described or set forth in the notice of such meeting.

ARTICLE IX MORTGAGES

9.1 NOTICE TO ASSOCIATION. An Owner who mortgages his Lot shall notify the Association through the President or Secretary of the Association, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Lots".

9.2 NOTICE OF UNPAID ASSESSMENTS. The Association shall, at the request of a mortgagee of a Lot, report any unpaid assessments due from the Owner of such Lot.

ARTICLE X ACTIONS WITHOUT MEETINGS

10.1 CONSENT TO ACTION. Any action required or permitted to be taken at any meeting of Members, Directors or committee members may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by a sufficient number of Members, Directors or committee members, as the case may be, as would be necessary to take that action at a meeting at which all persons entitled to vote on the action were present and voted.

10.2 NOTICE OF ACTION. Prompt notice of the taking of any action by Members, Directors or committee members without a meeting by less than unanimous written consent shall be given to those Members, Directors or committee members who did not consent in writing to the action. Every written consent signed by less than all the Members, Directors or committee members entitled to vote with respect to the action that is the subject of the consent shall bear the date of signature to each person who signs the consent. No written consent signed by less than all the Members, Directors or committee members entitled to vote with respect to the action that is the subject of the consent shall be effective to take such action unless, within sixty (60) days after the date of the earliest dated consent delivered to the Association in the manner required by law, a consent or consents signed by not less than the minimum number of Members, Directors or committee members that would be necessary to take the action that is the subject of the consent are delivered to the Association by delivery to its registered office, registered agent, or principal place of business, or by delivery to an officer or agent of the Association having custody of the books in which proceedings of meetings of Members are recorded. Delivery shall be by personal delivery, facsimile transmission or certified or registered mail, return receipt requested. Delivery to the Association's principal place of business shall be addressed to the President or the principal executive officer of the Association. A telegram, telex, cablegram or similar transmission by a Member, Director or committee member, or a photographic, photostatic, facsimile or similar reproduction of a writing signed by a Member, Director or committee member, shall be regarded as signed by the Member, director or committee member for purposes of this Section 10.2.

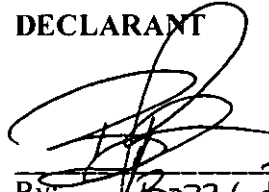
ARTICLE XI NON-PROFIT ASSOCIATION

11.1 NON-PROFIT PURPOSE. This Association is not organized for profit. No Lot Owner, Member, Director or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no even shall any part of the funds or assets of the Association be paid as a salary or as compensation to, or distributed to or inure to the benefit of any Director; provided, however, (a) reasonable compensation may be paid to any Member while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (b) any Director may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association, subject to prior approval by the Board of Directors.

11.2 FILING OF PAPERS. The Board of Directors shall cause to be filed with all applicable government agencies such certificates, reports and other paperwork as necessary to assure that the Association, to the maximum extent possible, retains its tax-exempt status as a Utah nonprofit corporation operating exclusively as a homeowners association within the meaning of Section 528 of the Internal Revenue Code of 1986, as amended, or the corresponding provision or provisions of any subsequent United States Internal Revenue law or laws.

IN WITNESS WHEREOF, the Declarant, has caused these Bylaws to be executed by its duly authorized officers on the date first stated above.

DECLARANT



By: BOBBY PEASLEY
Its: MANAGER/MEMBER

STATE OF UTAH)
 :SS
County of Salt Lake

On this 12th day of March, 2007, Personal appeared before me Bobby Peasley, who being by me duly sworn, did say that they are the agents of Declarant authorized to execute these Bylaws on behalf of the Declarant.

Kandus Meibos
NOTARY PUBLIC

