

After Recording Return To:
Thunder Ridge Property Owners Association
P.O. Box 843
Heber City, Utah 84032

**FIRST AMENDMENT TO
THE BY-LAWS**

FOR THUNDER RIDGE PROPERTY OWNERS ASSOCIATION

This First Amendment to the by-laws of Thunder Ridge Property Owners Association, Inc as first adopted on November 2, 2005 (the "BY-LAWS") by the Board of Thunder Ridge Property Owners Association (the "Association") is made on the date evidenced below by Thunder Ridge Airpark, LLC, a Utah limited liability company ("Declarant") and a majority of the Board of Directors of the Association.

RECITALS

A. This amendment shall be binding against all of the property described in the Declaration of Covenants, Conditions, Restrictions, and Easements for Thunder Ridge Airpark as amended and recorded (the "Declaration") and more particularly described as all of lots 155 through 231 of the Chuckwagon phase of the Bandanna Ranch subdivision, Duchesne County, Utah and any annexation, expansion or supplement thereto also known herein as the Thunder Ridge Airpark Subdivision.

B. Pursuant to Article XII of the BY-LAWS, the necessary approvals to amend the BY-LAWS were duly received to adopt and record this Amendment.

C. The By-laws as adopted by the Board on November 2, 2005 are attached as Appendix A and incorporated by reference.

G. This First Amendment is intended to clarify and improve certain provisions and correct typographical errors. Therefore the Association, by and through its Board of Directors, hereby proposes the following amendment changes:

Replace the language in the BY-LAWS for the applicable section in entirety as described to follow unless otherwise specified.

1. Article IV, Section 4.2 changed to read as follow:

Section 4.2 Voting Rights. The Association will have two classes of voting membership: Class A and Class B.

- a. Class A membership. Class A members are all Lot Owners, with the exception of the Declarant, Declarant controlled affiliates, and Tracy Livingston and his controlled affiliates, and are entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons are members. The vote for such Lot will be exercised as they determine, but in no event will more than one vote be cast with respect to any Lot.

- b. Class B membership. The Class B members are the Declarant, Declarant controlled affiliates, and Tracy Livingston and his controlled affiliates, and their assigns or successors, (the "Class B Members") and each is entitled to three votes for each of Class B Member lots in the Thunder Ridge Airpark Subdivision. The Class B membership will expire and cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B Membership.

2. Article VIII, Section 8.5 changed to read as follows:

Section 8.5 Hearing Procedure. Any violation of the Declaration, design guidelines, rules and regulations, and Bylaws shall be subject to fines as determined by the Board of Directors. The Board is prohibited from imposing a fine, suspending voting rights or suspending any rights of a Member or other occupant for violating rules, regulations, or the provisions of the Thunder Ridge Airpark Documents, unless and until the following procedure is followed:

1. Enforcement remedies are cumulative; accordingly, the Board of Directors reserves its right to pursue any enforcement action authorized by law or the Declaration, the Bylaws, or the rules and regulations at any time during the fining process.

2. That all following procedures will be followed prior to levying a fine:

a. Notice of Violation: All owners will be given a written notice of violation describing the violation and stating a time to cure the violation prior to a fine being levied.

b. Time to Cure: All owners will be given a minimum of forty-eight (48) hours to cure a violation before a fine will be levied. The Board in its discretion may grant a cure period exceeding forty-eight (48) hours if the Board determines that forty-eight (48) hours is an unreasonable time period to cure the violation in question.

c. Hearing: If a fine is levied, the offending Owner shall have the right to request an informal hearing with the Board of Directors to protest or dispute the fine. A request for hearing must be made in writing within fourteen (14) days from the date the fine is levied. Notice shall be deemed to have been received three (3) days after mailing via USPS first-class mail, postage prepaid. If a request for hearing is not received by the Board of Directors, or their designated agent, within seventeen (17) days from the date the fine is levied, the fine shall be deemed to be uncontested and the Owner forfeits their right to hearing. A request for hearing shall be delivered to Thunder Ridge POA, P.O. Box 843, Heber City, UT 84032 or as updated from time to time on the Thunder Ridge Airpark Website. The hearing shall be conducted in accordance with the procedures adopted by the Board of Directors.

d. Collection of Fines: Fines shall be collected as authorized by the Declaration and law. However, interest and late fees shall not accrue on fines until after the time for hearing has passed, or, if a hearing is conducted, after a final decision has been rendered.

3. That the following procedures shall govern an informal hearing of the Board of Directors:

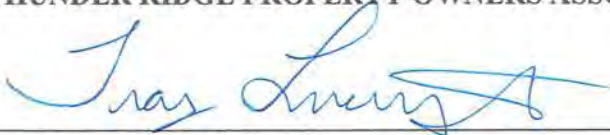
a. Scheduling a Hearing/Continuances/Failure to Appear: To request a hearing, an Owner must submit a written request to the Board within the timeframe identified above. The hearing shall, within reason, be conducted at the first Board meeting after the receipt of the request. The Board shall give notice of the date, time, and location of the hearing to the requesting Owner. Notice of the hearing shall be delivered to the requesting Owner and, if necessary, to the complaining Owner by electronic means, USPS first-class mail, postage prepaid, or by hand delivery. No other Owners or parties shall be entitled to notice of the

hearing. If the hearing date is unacceptable to the requesting Owner, they may request one continuance of the hearing date. To request a continuance, the requesting Owner shall deliver a written request for continuance to the Association. The request must be received by the Association at least five calendar days prior to the original hearing date. The request must contain a valid cause for continuance. The Board has sole authority to determine what constitutes valid cause. If the board continues the hearing, the continued hearing shall, within reason, take place at the second Board meeting after the receipt of the original request for hearing. Failure by a requesting Owner to appear at a hearing or continued hearing shall result in a waiver of the requesting Owner's right to hearing and the enforcement action shall be deemed uncontested.


b. Hearing Procedures/Decision: The hearing shall be conducted by one to three Board members or hearing officers appointed by the Board. The requesting Owner shall be given 15 minutes to dispute the issue for which the hearing was requested. The requesting Owner may present documentation or witnesses to dispute the issue. The Board or hearing officers may question the requesting Owner or witnesses during the hearing. If the request for hearing is based on the complaint of neighboring Owners, the Board or hearing officers shall interview or review written statements from the neighboring Owners during the hearing. After hearing the requesting Owner's position and evidence, the Board or hearing officers may either render its decision at the hearing or take the evidence and argument under advisement. If the Board takes the evidence under advisement, they shall render a final decision by the next scheduled regular Board meeting. If the hearing is conducted by a hearing officer or hearing officers, the officer shall take the evidence under advisement, then shall report their findings to the Board, who shall render a final decision at the next scheduled regular Board meeting. If any member of the Board is present at the hearing, the member or members present may make a final determination at the hearing or may take the matter under advisement. Once a decision is rendered, the Board shall give written notice of their decision to the requesting Owner. As part of the decision, the Board shall state that payment of the fine is due within fourteen (14) days or interest and late fees will accrue. All decisions of the Board are final.

IN WITNESS WHEREOF, we being the President, and Secretary of the THUNDER RIDGE PROPERTY OWNERS ASSOCIATION and the Declarant have executed this Amendment to the BY-LAWS as of the 27 day of June, 2016, in accordance with Article XII of the BY-LAWS.

THUNDER RIDGE PROPERTY OWNERS ASSOCIATION



President – Tracy Livingston



Secretary – Lori Livingston

DECLARANT: THUNDER RIDGE AIRPARK, LLC



Its Member Manager – Tracy Livingston

STATE OF UTAH)
)
:ss
County of Wasatch)

On the 27th day of June, 2016, personally appeared Tracy Livingston who, being first duly sworn, did say that he is the President of the Association and is Member Manager of Thunder Ridge Airpark, LLC, and that the foregoing instrument was signed on behalf of said Association by authority of its Board of Directors; and acknowledged said instrument to be a voluntary act and deed.

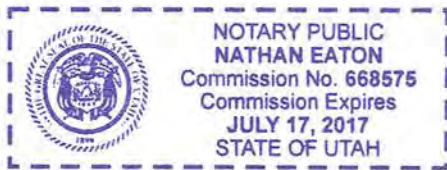




Notary Public

STATE OF UTAH)
)
:ss
County of Wasatch)

On the 27th day of June, 2016, personally appeared Lori Livingston who, being first duly sworn, did say that she is Secretary of the Association and that the foregoing instrument was signed on behalf of said Association by authority of its Board of Directors; and acknowledged said instrument to be a voluntary act and deed.





Notary Public

Appendix A

BY-LAWS of Thunder Ridge Property Owners Association

BY-LAWS
Thunder Ridge Property Owners Association, Inc.

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BY-LAWS
Thunder Ridge Property Owners Association, Inc.

ARTICLE I
Name and Location

Section 1.1 Name. The name of the corporation is Thunder Ridge Property Owners Association, Inc., a Utah non-profit corporation.

Section 1.2 Location. The principal office of the corporation is located in the subdivision of Thunder Ridge Airpark in Duchesne County, Utah, but meetings of the Members and Directors may be held at such places within the State of Utah as may be designated by the Board of Directors.

ARTICLE II
Purpose

Section 2.1 Purpose. The specific purposes for which the Association is formed are to provide for the maintenance, preservation and control of the Common Area which is part of the real property located in Duchesne County, Utah (the "Property"), which is subject to the Declaration of Covenants, Conditions, Restrictions and Easements for Thunder Ridge Airpark dated and recorded in Duchesne County, Utah in Deed Book A-453, page 238 (the "Declaration"); and to promote the health, safety and welfare of the Owners within Thunder Ridge Airpark.

Section 2.2 Assent. All present and future Owners, their families, present or future tenants, and their guests and invitees, and any other person using the facilities of Thunder Ridge Airpark in any manner are subject to the Thunder Ridge Airpark Documents, including these By-Laws. The mere acquisition or rental of any lots in Thunder Ridge Airpark or the mere act of occupancy of one of the Lots shall constitute ratification and acceptance of these By-Laws.

ARTICLE III
Definitions

The defined terms used in these By-Laws shall have those meanings that the same terms have in the Declaration.

ARTICLE IV
Membership and Voting Rights

Section 4.1 Membership. Every Owner of a Lot subject to assessment is a member of the Association. Membership is appurtenant to and may not be separated from ownership of any Lot subject to assessment, except as set forth in Section 4.3 below.

Section 4.2 Voting Rights. The Association will have two classes of voting membership: Class A and Class B.

- a. Class A membership. Class A members are all Lot Owners, with the exception of the Declarant, and are entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons are members. The vote for such Lot will be exercised as they determine, but in no event will more than one vote be cast with respect to any Lot.
- b. Class B membership. The Class B member is the Declarant, its assigns or successors, and is entitled to three votes for each of lots 155 through 231. The Class B membership will expire and cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B Membership.

Section 4.3 Proof of Membership. Any person or entity, on becoming an Owner of a Lot, shall furnish to the Manager or to the Secretary of the Association a photocopy or a certified copy of the recorded instrument vesting that person or entity with an ownership interest, which instrument shall remain in the files of the Association. An Owner shall not be deemed to be a Member of the Association in good standing and shall not be entitled to vote at any annual or special meeting of Members unless this requirement is first met.

ARTICLE V Annual and Special Meetings of the Members

Section 5.1 Place of Meeting. Annual or special meetings of the Members of the Association will be held at such suitable place convenient to the Members as may be designated by the Board of Directors either within the Properties or as convenient thereto as possible and practical.

Section 5.2 Annual Meetings. The initial annual meeting of the Members will be held at a date and time as set by the Board of Directors. Subsequent annual meetings of the Members will be set by the Board so as to occur within thirteen (13) months after the initial annual meeting, and will be held within thirty (30) days of the same day of the same month of each year thereafter at an hour set by the Board.

Section 5.3 Special Meetings. The Chairman of the Board may call special meetings. In addition, it is the duty of the Chairman of the Board to call a special meeting upon receipt of a petition signed by Members representing at least ten (10%) percent of the total votes of the Association. The notice of any special meeting must state the date, time and place of such meeting and the purpose thereof. No business may be transacted at a special meeting except as stated in the notice.

Section 5.4 Notice of Meetings. Notice for all annual or special meetings must include the place, day and hour of the meeting, and the agenda for the meeting. Notice, if given by mail, must be sent no less than thirty (30) days prior to the meeting, nor greater than sixty(60) days prior to the meeting. Notice, if given personally, hand-delivered, or by e-mail, must be given no less than (10) days prior to the meeting and not greater than sixty (60) days prior to the meeting. Notice must be sent to each member entitled to vote at such meeting. If mailed, the notice of the meeting will be deemed to be delivered when deposited in the United States Mail addressed to the Member at his address as it last appeared on the records of the Association, with postage thereon pre-paid. If e-mailed, the notice of the meeting will be deemed to be delivered when sent by the Association, unless the Association receives a return to sender message indicating the e-mail was not delivered.

Section 5.5 Waiver of Notice. Waiver of notice of the meeting of the Association will be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meetings. Attendance at a meeting by a Member will be deemed waiver by such Member of notice at the time the meeting is called to order. Attendance at a special meeting will also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting at which proper notice was not given is raised before the business is put to a vote.

Section 5.6 Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by his or her alternate, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting must be given to Members in the manner prescribed for regular meetings. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that at least twenty-five (25%) percent of the total votes of the Association remain present in person, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum.

Section 5.7 Voting. The voting and membership rights are set forth in Section 4.1 and 4.2 of these By-laws.

Section 5.8 Proxies. Voting Members may vote by proxy. Written appointment of a proxy must be submitted to the Chairman of the Board prior to any vote.

Section 5.9 Majority. As used in these By-Laws, the majority shall mean those votes, Owners or other group as the context may indicate, totaling more than fifty (50%) percent of the total number of votes.

Section 5.10 Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by alternate of the Members representing one-third (1/3) of the votes in the Association constitutes a quorum but will not exist without the presence of Declarant, his heirs, successors and assigns. The Declarant may waive this provision in writing thereto to the Board of Directors after receiving notification of said meeting.

Section 5.11 Conduct of Meetings. The Chairman of the Board will preside over all meetings of the Association, and the Secretary will keep the minutes of the meeting and record in a minute book all resolutions adopted at the meetings, as well as a record of all transactions occurring thereat.

Section 5.12 Action Without a Meeting. Any action required by law to be taken at a meeting of the Association, or any action which may be taken at a meeting of the Association, may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all the Members entitled to vote with respect to the subject matter thereof. Such consent will have the same force and effect as a unanimous vote of the Association.

ARTICLE VI

Board of Directors

Section 6.1 Number and Initial Board. Prior to the expiration of the Class B membership, the affairs of the Association will be managed by a Board of three (3) Directors, who will be appointed as provided under Section 6.2 herein below. Once the Class B membership expires, the affairs of the Association will be managed by a Board of between three (3) and nine (9) Directors, elected by the Voting Members at the first Annual Meeting after the Class B membership expires.

Section 6.2 Directors During Declarant's Control. Prior to the expiration of the Class B membership, the Board of Directors will be selected by Declarant and will serve at the sole discretion of Declarant. Declarant may surrender its right to select the Board of Directors prior to termination of the Class B membership. The Directors selected by Declarant need not be Members of the Association.

Section 6.3 Nominating Committee. Except with respect to Directors selected by Declarant, nominations for election to the Board of Directors will be made by a Nominating Committee consisting of a chairman, who will be a Member of the Board of Directors and two or more Members of the Association. The Nominating Committee will be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting, and such appointment will be announced at each such annual meeting. The Nominating Committee may make as many nominations for election to the Board of

Directors as it in its discretion determines, but in no event less than the number of vacancies or terms to be filled by vote of the members. Nominations will be permitted from the floor. All candidates will have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Section 6.4 Election of Directors. Directors shall be elected as follows:

- a. Before Expiration of Class B membership. Declarant's unilateral right to appoint Members of the Board of Directors as set forth in Section 6.2 above will be modified by the right of the Class A Members to elect Class A Directors after the Class B membership expires.
- b. After Expiration of Class B membership~ Within 60 days of the expiration of the Class B membership, a first Annual Meeting of the Voting Members will be held. At this meeting, the Members will elect all the Board of Directors. At each annual meeting of Members thereafter, Directors will be elected. There may be elected from the Voting Members no less than three (3) and no greater than nine (9) Directors. All Members of the Association have the right to vote for the Directors, subject to section 4.2 above. The nine candidates receiving the majority vote shall be elected. Motions to limit the number of directors to less than nine (9) may be taken from the floor prior to voting, and will require a majority vote of the Voting Members present to be binding on the Association. No motion that would establish a board with an even number directors may be entertained. The Board must always have an odd number of Directors for tie-breaking purposes.
- c. Terms of Office. The initial terms of the elected Directors will be fixed at the time of their election as they themselves shall determine in order to establish a system of two (2) year terms in which at least one-third (1/3) of the Board is re-elected in each year. At the expiration of the initial term of office of each Director, a successor will be elected to serve a two (2) year term. Each director will hold office until such Director's successor is elected by the Voting Members.

Section 6.5 Voting Procedures for Directors. Elections for the first three (3) Directors elected by the Association will be conducted pursuant to Section 6.4 (a), unless that Section is rendered inapplicable by surrender by Declarant of its right to select Directors. The first general election of the Board will be conducted at the first meeting of Members following expiration of the Class B membership. At such election, Members of the Association may cast votes as they are entitled to exercise under the provisions of Section 4.2 above. Voting for Directors must be by secret written ballot.

Section 6.6 Removal of Directors. Vacancies. Directors may be removed and vacancies on the Board may be filled as follows:

- a. By the Members. During the term of Class B membership in the Association, any members of the Board of Directors elected by Class A Members may be removed by a majority of votes of the Class A Members, with or without cause, at any regular or special meeting of the Members duly called. Following termination of the Class B membership, any Director may similarly be removed, with or without cause, at any regular or special meeting of the Members, but the votes cast to remove a Director may only represent those Members entitled to vote for a successor. A successor to any Director removed may then and there be elected to fill the vacancy created. A Director whose removal is proposed by the Members must be given at least ten (10) days' written notice of the date, place, and purpose of the meeting, and must be given opportunity to be heard at the meeting.
- b. By the Board. Any Director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in payment of any Assessment for more than sixty (60) days may be removed by a majority vote of the Directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board. In the event of the death, disability or resignation of a Director, a vacancy may be declared by the Board, and it may appoint a successor. Any Director appointed by the Board will serve for the remainder of the term such successor was appointed to fill.

Section 6.7 Compensation. No director will receive compensation for any service he or she may render to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of such Director's duties.

Section 6.8 Action Taken Without a Meeting. The Directors have the right to take any action they could take at a meeting in the absence of a meeting by obtaining the written approval of all the Directors. Any action so approved will have the same effect as though taken at the meeting of the Directors.

ARTICLE VII Meetings of Directors

Section 7.1 Regular Meetings. Regular meetings of the Board of Directors must be held at least quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the board. Should the meeting fall upon a legal holiday, then that meeting will be held at the same time on the next day which is not a legal holiday. At all meetings of the Board, the President or in his absence, the chairman chosen by the Directors present, shall preside.

Section 7.2 Special Meetings. Special meetings of the Board of Directors will be held when called by the President of the Association or by any two Directors, after not less than three (3) days notice to each Director.

Section 7.3 Quorum. A majority of the number of Directors will constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present will be regarded as an act of the Board.

Section 7.4 Waiver of Notice. The transactions of any meetings of the Board of Directors, however called and notice or wherever held, will be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting will also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 7.5 Telephone Participation. One or more Directors may participate in any regular or special meeting of the Board by telephone conference call and those Directors so participating will be counted for quorum purposes.

ARTICLE VIII Powers and Duties of Board of Directors

Section 8.1 General. The Board of Directors have the powers and duties necessary for the administration of the business affairs of the Association. The Board of Directors may do all such acts and things as are not by law or by the Articles of Incorporation, these By-Laws or the Declaration directed to be exercised or done by the Members. The Directors have power to act only as a Board. The individual directors have no power to act on behalf of the Board or the Association.

Section 8.2 Specific Powers and Duties. Without limiting the generality of powers and duties set forth in Section 8.1 above, the Board of Directors are empowered and have the powers and duties as follows:

- a. To administer and enforce the Covenants, Restrictions, Easements, Uses, Limitations, Obligations and all other provisions set forth in the Declaration.
- b. To establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of Thunder Ridge Airpark, with the right to amend same from time to time. A copy of such rules and regulations will be delivered to or mailed to each Member promptly after adoption.
- c. To keep in good order, condition and repair all the Common Area and all items of personal property, if any, used in the enjoyment of the Common Area. No approval of the Members is required for expenditures for these purposes, except as otherwise required by the Declaration.

- d. To insure and keep insured all the insurable property contained in the Common Area and to maintain casualty and other insurance, all as required by the Declaration.
- e. To fix, determine, levy and collect the prorated annual Assessments to be paid by each of the Members towards the gross expenses of Thunder Ridge Airpark, and to adjust, decrease or increase the amount of the Assessments, and to credit any excess of the Assessments over expenses and cash reserves to the Members against the next succeeding Assessment period.
- f. To levy and collect special Assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All special Assessments must be in statement form and must set forth in detail the various expenses for which the Assessments are being made.
- g. To levy and collect default Assessments for violation of the Thunder Ridge Airpark Documents or because the Association has incurred an expense on behalf of a Member under the Thunder Ridge Airpark Documents.
- h. To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as provided in the Declaration and these By-Laws; to enforce a late charge of not less than One Hundred Dollars and no/100 (\$100.00) in connection with any Assessments remaining unpaid more than thirty (30) days from the due date for payment; to collect interest at two (2) points above the prime rate charged by the Association's bank or such other rate set by the Board on unpaid Assessments in accordance with Article XI of the Declaration; and to exercise other remedies for delinquent Assessments as set forth in the Declaration.
- i. To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these By-Laws and to authorize the appropriate officers to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary; provided, however, that the Board may not borrow more than Two hundred thousand and no/100 (\$200,000.00) Dollars or cause the Association to be indebted for more than \$200,000.00 at anyone time without the prior approval of a majority of votes of both classes of membership.
- j. To enter into contracts within the scope of their duties and powers.

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- k. To establish a bank account for the operating account of the Association and for all separate funds which are required or may be deemed advisable by the Board of Directors.
- l. To cause to be kept and maintained full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof by Members or their Mortgagee at convenient weekday business hours.
- m. To cause any and all access roads, parking areas and entrances in and to Thunder Ridge Airpark and across the Property to be maintained.
- n. To cause the maintenance of the lawn, trees, shrubs and other vegetation, and the sprinkler or other irrigation systems located on the Lots and Common Area for the benefit of the Members.
- o. To delegate to a Manager or Managers, or any other person or entity, such of the Associations' duties or responsibilities as may be more conveniently or efficiently performed by another than by the Association, and to agree to assess to the Members a reasonable fee for such services, except that the duties set forth in Subsections (e), (t), (g), (i) and G) may not be so delegated.
- p. To assist the Architectural Control Committee (the "ACC") in the performance of its functions.

Section 8.3 Manager.

- a. The Board of Directors may hire a Manager or Managers to perform such duties and services as the Board of Directors authorizes. Compensation for the Manager or Managers will be established by the Board. The Board of Directors may delegate to the Manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in Subsection (e), (t), (g), (i) and G) of Section 8.2 above. Declarant, or an affiliate or employee of Declarant, may be employed as Manager.
- b. No management contract may have a term in excess of three (3) years and must permit termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

Section 8.4 Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- a. Accrual accounting, as defined by generally accepted accounting principles shall be employed.
- b. Accounting and controls should conform with established AICPA guidelines and principles. A segregation of accounting duties should be maintained, and disbursements by check requires two signatures. Cash disbursements are be limited to amounts of Twenty-five Dollars and no/100 (\$25.00) and under.
- c. Cash accounts of the Association must not be co-mingled with any other accounts.
- d. No remuneration may be accepted by the Board of Directors or the Manager from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees, prizes, gifts or otherwise (except that such persons may be employees of Declarant during the period of Class B membership); anything of value must benefit the Association.
- e. Any financial or other interest which the Manager or a Member of the Board of Directors may have in any firm (other than Declarant) providing goods or services to the Association must be disclosed promptly to the Board of Directors.
- f. Commencing at the end of the calendar quarter in which the first Annual Assessment is levied and continuing on a quarterly basis, financial reports must be prepared for the Board of Directors containing:
 - i. An income statement reflecting all income and expense activity for the preceding three (3) months on an accrual basis;
 - ii. An account activity statement reflecting all receipt and disbursement activity for the preceding three (3) months on an accrual basis; and
 - iii. A delinquency report listing all Owners who have been delinquent in paying the monthly installments of Assessments during the preceding three (3) month period and who remain delinquent at the time of the report, and describing the status of any action to collect such installments which remain delinquent.
- g. A Balance sheet as of the last day of the Association's fiscal year and an operating statement for said fiscal will be distributed to the Members. At the written request of an Owner or First Mortgagee, such statements will be audited at the requesting party's expense. Any such audited statements

will be delivered to any Owner requesting the report and to the Association upon payment of a reasonable fee for copying.

- h. An account report reflecting the status of all accounts in an "actual" versus "approved" budget format will be prepared. A report reflecting any actual or pending obligations which are in excess of budgeted amounts will also be prepared. The obligation report will specifically address obligations in excess of the operating reserves or obligations that are ten (10%) percent or greater of a major budget category. These reports will be prepared for the Board periodically and must be made available to all Members on an annual basis.

Section 8.5 Hearing Procedure. The Board is prohibited from imposing a fine, suspending voting rights or suspending any rights of a Member or other occupant for violating rules, regulations, or the provisions of the Thunder Ridge Airpark Documents, unless and until the following procedure is followed:

- a. Demand. Written demand to cease and desist from the alleged violation must be served, by first class mail or by hand-delivered, upon an alleged violator specifying:
 - i. The alleged violation;
 - ii. The action required to abate the alleged violation; and
 - iii. If the violation is a continuing one, a time period not less than ten (10) days, during which the violation may be abated without further sanction; or, if the violation is not continuing, notice that an additional or similar violation may result in the imposition of a sanction after notice and a hearing.
- b. Notice. At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall serve the violator with written notice of a hearing to be held by the Board. The notice must contain:
 - i. The nature of the alleged violation;
 - ii. The time and place of the hearing which time shall not be less than twenty (20) days from the giving of the notice;
 - iii. An invitation to attend the hearing and produce any statement, evidence and witness on the Member's behalf; and
 - iv. The proposed sanction to be imposed.

- c. Hearing. The Board will appoint a Hearing Committee to hear the matter. No member of the Hearing Committee may also be a member of the Board. The Board will have a duty to prove notice was served in accordance with 8.5(b) above. If notice is shown to have been served and the offending Member fails to appear, the hearing Committee will have the power to proceed and enter a decision. The offending member may appear by teleconference or through legal counsel. If the offending Member appears, the hearing will proceed with a representative from the Board presenting the Association's position and then the offending Member providing a response. Written materials may be submitted, but must be given to both the Hearing Committee and the opposing party, not later than five days prior to the date of the hearing. The Hearing Committee will hear all evidence and keep minutes of the proceeding. The Hearing Committee will have a period of ten days to draft a written opinion. The written opinion will be sent to both the Association and the offending Member.
- d. Appeal. Either party may appeal the decision of the Hearing Committee to the Board by giving written notice of appeal to the Board and the opposing party within thirty (30) days of the Hearing Committee's decision. The Board shall consider the minutes of the hearing, the written materials submitted, and the written opinion of the Hearing Committee, and draft a written decision of the Board within a reasonable period of time not exceeding ninety (90) days after receipt of the notice. The decision of the Board shall be final. The procedures will not be necessary in order to impose any sanction or penalty for non-payment of a delinquent Assessment.

ARTICLE IX Officers and Their Duties

Section 9.1 Enumeration of Officers. The officers of the Association are a President, Vice President, Secretary and Treasurer, who must at all times be Members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 9.2 Election of Officers. The election of officers will take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 9.3 Term. The officers of the Association will be elected annually by the Board, and each shall hold the office for one (1) year unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

Section 9.4 Special Appointments. The Board may appoint such other officers as the affairs of the Association may require, each of whom will hold office for such period, have such authority and perform such duties as the Board may from time to time determine.

Section 9.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation will take effect on the date of receipt of such notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation will not be necessary to make it effective.

Section 9.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy will serve for the remainder of the term of the officer he replaces.

Section 9.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person may simultaneously hold more than one of any of the remaining offices except in the case of special offices created pursuant to Section 9.4 above.

Section 9.8 Duties. The duties of the officers are as follows:

- a. **President.** The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall co-sign all checks and promissory notes.
- b. **Vice President.** The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- c. **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.
- d. **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and the financial statements provided for

by Section 8.4 above; and deliver or make copies available of each to the Members.

ARTICLE X

Committees

Section 10.1 General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Such committees will perform such duties and have such powers as may be provided in the resolution. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Section 10.2 Architectural Control Committee. Prior to the expiration of the Class B membership, the Architectural Control Committee ("ACC") will consist of the Declarant or his designees, as provided in Article III of the Declaration. At the expiration of the Class B membership, the Board of Directors shall appoint members of the ACC. The ACC must have at least three (3) but no more than seven (7) Members. Of the initial members, one third will have terms of one year and two-thirds will have a term of two years.

Section 10.3 Submissions to the Architectural Review Committee and the Appeal Process.

- a. All Members must submit all plans and specifications to the ACC prior to any improvement taking place on their lot. If the Member begins work of any kind on their lot prior to submitting their plans to the ACC, the Association will have the power to enjoin the activity in a court of law.
- b. The ACC will have 30 days to review the plans and to either reject or accept them. If no action is taken by the Committee within 30 days the plans and specifications will be deemed approved.
- c. If the plans and specifications are incomplete, or if the ACC rejects the plans, or requires the plans to be changed in order to comply with the Declaration, the owner may make the changes and resubmit the plans. Upon resubmittal, the ACC will have two weeks to either approve or reject the plans. On all submissions after the first submission, the ACC will have two weeks to take action. If no action is taken within the two week period, the plans and specifications will be deemed approved.
- d. On any rejection of the plans, the ACC must submit its reasons for the denial in writing to the Member, with suggestions on what the Member could do to comply with the Declaration.

- e. If the ACC rejects the plans and specifications, the owner will have the right to file an appeal with the Board of Directors. The appeal must be filed within 30 days of the ACC's rejection. The appeal must include an explanation of the dispute between the owner and the ACC and an explanation of what relief the owner would like to receive.
- f. Upon receiving the notice of appeal, the Board will set a date for a hearing of the appeal that is not more than two weeks after the receipt of the appeal, unless waived in writing by the Member. The Board will have the right to contact the ACC and the Member and to obtain all needed information and evidence prior to the hearing.
- g. At the hearing, both the owner and the ACC will be allowed to present their arguments to the members of the Board. The hearing will be informal. The Member may be represented by counsel if he or she so chooses. The Board may only overturn the decision of the ACC if the decision of the ACC is unlawful, arbitrary, or capricious. The Board may hand down a decision at the time of the hearing, or take the matter under advisement. If taken under advisement, the Board must submit a written decision within one week of the hearing. The decision of the Board will be final and binding.

ARTICLE XI Indemnification

The Association shall indemnify every Director and officer, or former Director or officer, and their respective successors, personal representatives and heirs against all loss, costs and expenses, including counsel fees reasonably incurred by such person in connection with any action, suit or proceeding to which such person may be made a party by reason of such person's being or having been a Director or officer of the Association, except as to matters as to which such person shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of such persons' duties as such Director or officer. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, cost and expense arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a common expense.

ARTICLE XII Amendments

These By-Laws may be amended at a regular or special meeting of the Board, by a vote of a majority of a quorum of Directors present in person or by proxy, but amendment of Article VI or XII or any portion of those Articles shall require approval of all Directors.

So long as the Declarant owns any Lot, the By-Laws of the Association may not be amended without its written consent.

ARTICLE XIII
Miscellaneous

Section 13.1 Fiscal Year. The fiscal year of the Association shall begin the first day of January and end on the 31st day of December of each year, except that the first fiscal year shall begin on the date of incorporation.

Section 13.2 Conflict of Documents. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Adopted this 2nd November day of 2005.


Boardmember


Boardmember


Boardmember