

**EXHIBIT C**  
**BYLAWS**  
**OF**  
**WILLOW RUN HOMEOWNERS ASSOCIATION**

**ARTICLE 1**  
**PLAN OF UNIT OWNERSHIP**

1.1 Name and Location. These are the Bylaws of the Willow Run Homeowners Association (the "Association"). Willow Run Homeowners Association is a residential Community that has been subjected to the Declaration recorded herewith.

1.2 Principal Office. The principal office of the Association shall be located at such place as may be designated by the Board of Directors from time to time.

1.3 Purposes. This Association is formed to serve as a means through which the Unit and/or Lot Owners may take action with regard to the administration, management and operation of the properties and Units and/or Lots therein.

1.4 Applicability of Bylaws. The Association, all Owners and all persons using the Property shall be subject to these Bylaws and to all rules and regulations which may be adopted pursuant to the Declaration and these Bylaws.

1.5 Composition of Association. The Association shall be composed of all Owners and the Association itself, to the extent any of these own any Units and/or Lots.

1.6 Incorporation of Association.

(a) The Association shall be incorporated under the Utah Revised Nonprofit Corporation Act. The Articles of Incorporation of the Association shall be consistent with the Declaration and these Bylaws, and these Bylaws shall constitute the Bylaws of the incorporated association.

(b) In the event the incorporated Association shall at any time be dissolved, whether inadvertently or deliberately, it shall automatically be succeeded by an unincorporated association of the same name. In that event, all of the property, powers and obligations of the incorporated association existing immediately prior to its dissolution shall thereupon automatically vest in the successor unincorporated association, which vesting shall thereafter be confirmed and evidenced by appropriate conveyances and assignments by the incorporated association. To the greatest extent possible, any such successor unincorporated association shall be governed by the Articles of Incorporation and Bylaws of the incorporated association as if

they had been made to constitute the governing documents of the unincorporated association.

1.7 Definitions. The definitions contained in or adopted by the Declaration shall be applicable to these Bylaws.

## **ARTICLE 2 MEETING OF ASSOCIATION**

2.1 Place of Meeting. The Association shall hold meetings at such suitable place convenient to the Owners as may be designated by the Board of Directors from time to time.

2.2 Annual Meetings. Each regular annual meeting of the members shall be held on the same day of the same month of each year at a time and place within the State of Utah selected by the Board of Directors of the Association. If the annual meeting of the members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

2.3 Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the at least thirty percent (30%) of the members stating the purpose of the meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

2.4 Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least twenty (20) days but not more than sixty (60) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

### 2.5 Notice, Affairs, Electronic Means.

(a) Notice. Any other provisions of the Declaration or these Bylaws notwithstanding and except as provided in paragraph (b) below, in any circumstance where notice is required to be given to the Owners, the Association may provide notice by electronic means, including text message, email, or the Association website, if the Board deems the notice to be fair and reasonable. It is the responsibility of each member to provide the Association with current and accurate information for the purpose of receiving notice by electronic means. The Board is authorized to promulgate rules and procedures facilitating the implementation of this section 2.5 as it deems fit from time to time, including requiring members to furnish the Association with a current email address.

(b) Option to Opt-Out. Upon receiving a request in writing from a member specifically requesting to opt-out from receiving notice by electronic means, the Association shall deliver notice by regular first class mail to the Member.

(c) Transactions or Actions. Any other provisions of the Declaration or these Bylaws notwithstanding, any transaction or action involving the business or affairs of the Association, including but not limited to voting and providing notice or records, may be conducted by electronic means.

(1) The Association may accept a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation by electronic means as the act of the member if the Board of Directors does so in good faith and has no reason to believe it is not the act of the member.

(2) A writing may be delivered in an electronic medium or by electronic transmission, and may be signed by photographic, electronic, or other means. An electronic record or electronic signature is attributable to a person if it was the act of the person. An electronic signature may consist of a mark, symbol, character, letter, or number or any combination thereof attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record and the same shall be considered the signature of such person.

(3) A writing includes any document, record, vote, ballot, proxy, or instrument required or permitted to be transmitted by a Member or by the Association.

2.6 Voting. Each Unit and Lot shall be allocated one vote in the affairs of the Association as provided in the Declaration. The Board of Directors shall be entitled to vote on behalf of any Unit and/or Lot which has been acquired by or on behalf of the Association, except the Board of Directors shall not be entitled to vote such Units and/or Lots in any election of Board members.

## 2.7 Proxies, Absentee Ballots and Rights of Mortgagees.

### (a) Proxies

(1) A vote may be cast in person or by proxy. A proxy given by an Owner to any person who represents the Owner at meetings of the Association shall be in writing, dated and signed by such Owner and shall be filed with the secretary in accordance with procedures adopted by resolution of the Board of Directors.

(2) No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy; however, no proxy may be valid for more than eleven (11) months after the date of execution.

(3) No proxy shall be valid if it purports to be revocable without notice.

(4) An Owner may not revoke a proxy given except by actual notice of revocation to the person presiding over a meeting of the Association or to the Board of Directors if a vote is being conducted by written ballot in lieu of a meeting pursuant to Section 2.12 below.

(5) Every proxy shall automatically cease upon sale of the Unit.

(b) Absentee Ballots. At the discretion (which shall be announced in the formal notice of the meeting) of the Board of Directors, a vote may be cast by absentee ballot.

(c) Mortgage Rights.

(1) An Owner may pledge or assign the owner's voting rights to a Mortgagee. In such a case, the Mortgagee or its designated representative shall be entitled to receive all notices to which the owner is entitled hereunder and to exercise the owner's voting rights from and after the time that the Mortgagee shall have given written notice of the pledge or assignment to the Board of Directors.

(2) Any first Mortgagee may designate a representative to attend all or any meetings of the Association.

## 2.8 Fiduciaries and Joint Owners.

(a) Fiduciaries. An executor, administrator, guardian, or trustee may vote in person or by proxy, at any meeting of the Association with respect to any Unit and/or Lot owned or held in such capacity, whether or not the same shall have been transferred to his or her name; provided, that the person shall satisfy the secretary that he or she is the executor, administrator, guardian, or trustee holding the Unit in such capacity.

(b) Joint Owners. Whenever any Unit and/or Lot is owned by two or more persons jointly, according to the records of the Association, the vote of the Unit and/or Lot may be exercised by any one of the Owners then present, in the absence of protest by a co-owner. In the event of a protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of the Unit and/or Lot shall be disregarded completely in determining the proportion of votes given with respect to the matter.

## 2.9 Quorum of Owners.

(a) At the first such meeting or voting procedure authorized by the Board, the presence at a meeting in person, proxy, or mail-in ballot of thirty percent (30%) of Owners shall constitute a quorum of the Association; provided however, that if a quorum is not present at a meeting duly called, the Board shall have the right to continue said meeting to a date not more than sixty (60) days after the date of scheduled meeting. At such rescheduled meeting, those Owners entitled to vote who are present in person, by proxy or mail-in ballot shall constitute a quorum for all purposes.

(b) The subsequent ratification of an Owner, in the action taken at a meeting shall constitute the presence of the person for the purpose of determining a quorum. When a

quorum is once present to organize a meeting it cannot be broken by the subsequent withdrawal of an Owner or Owners.

2.10 Binding Vote. The vote of at least sixty-seven percent (67%) of those members of the Association who actually cast votes through the voting procedure authorized by the Board for that particular action (e.g., at a meeting, through mail-in ballot, or a meeting in conjunction with the use of mail-in ballots) shall be the act of the Owners, unless the vote of a greater number is otherwise required by the Bylaws, Declaration, or by applicable law.

2.11 Order of Business. The order of business at annual meetings of the Association shall be according to the order established by the President, and by way of example, may include the following: (a) Calling of the roll and certifying of proxies; (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, if any; (f) Election of Board members; (g) Unfinished business; (h) New business, including review of and voting on reserves as required in the Declaration; and (i) Adjournment.

2.12 Meeting Procedure. Rules of order may be adopted by resolution of the Board of Directors, otherwise, the President shall conduct meetings according to the procedure he or she deems fit.

2.13 Action by Written Ballot in Lieu of a Meeting.

(a) Action by Written Ballot. At the discretion of the Board of Directors, any action, except election or removal of Board members, that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Owner that is entitled to vote on the matter not less than twenty (20) days prior to the date on which the ballots must be received by the Association in order to be counted.

(b) Form and Effect of Ballot. The written ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action. A written ballot may not be revoked.

(c) Information Required in Ballot Solicitations. All solicitations for votes by written ballot must:

(1) State the number of responses needed to meet any applicable quorum requirements and the total percentage of votes needed for approval.

(2) Specify the period during which the Association will accept written ballots for counting, which period shall end on the earliest of the following unless the vote is pursuant to the secrecy procedure described in Subsection (d) of this section: (A) The date on which the Association has received a sufficient number of approving ballots to pass the proposal; (B) The date on which the Association has received a sufficient number of disapproving ballots to render the proposal impossible of passage; or (C) A date certain on which all ballots must be returned to be counted.

(d) **Secrecy Procedure.** The Board of Directors may elect to conduct a vote pursuant to this section by a secrecy procedure whereby a written ballot is accompanied by: (1) A secrecy envelope; (2) A return identification envelope to be signed by the owner; and (3) Instructions for marking and returning the ballot.

(e) **Determination of Vote.** The outcome of a vote by written ballot in lieu of a meeting shall be determined by the Board of Directors within seventy-two (72) hours of the deadline for return of ballots, or in the event the ballot return date is postponed, within forty-eight (48) hours of the postponed date. Matters that may be voted on by written ballot shall be deemed approved or rejected as follows:

(1) If approval of a proposed action would otherwise require a meeting at which a certain quorum must be present and at which a certain percentage of total votes cast is required to authorize the action, the proposal will be deemed to be approved when the date for return of ballots has passed, a quorum of owners has voted and the required percentage of approving votes has been received. Otherwise, the proposal shall be deemed to be rejected.

(2) If approval of a proposed action otherwise would require a meeting at which a specified percentage of owners must authorize the action, the proposal shall be deemed to be approved when the percentage of total votes cast in favor of the proposal equals or exceeds such required percentage. The proposal shall be deemed to be rejected when the number of votes cast in opposition renders approval impossible or when both the date for return of ballots has passed and such required percentage has not been met.

(3) Except as provided in Subsection (e)(4) of this section, votes may be counted from time to time before the final return date to determine whether the proposal has passed or failed by the votes already cast on the date they are entered.

(4) Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

(f) **Owner Notification of Ballot Results.** The Board shall notify each Owner within fifteen (15) days after the ballots have been counted, by mail, e-mail or other method reasonably calculated to provide notice, of the results of the ballot or that a quorum of ballots was not returned.

#### 2.14 Action Without a Meeting.

(a) Any action that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting and without solicitation of written ballots pursuant to this Section 2.13, if the action is taken by the number of owners required to pass the action.

(b) The action must be evidenced by one or more written consents describing the action taken, signed by the number of Owners required to pass the action, and delivered to the Association for inclusion in the minutes or filing with the Association records.

(c) Action taken under this section is effective when the last owner signs the consent, unless the consent specifies an earlier or later effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

### **ARTICLE 3**

#### **BOARD OF DIRECTORS – SELECTION, TERM OF OFFICE**

##### **3.1    Number, Term, and Qualification.**

(a) The affairs of the Association shall be governed by a Board of Directors composed of seven (7) directors. It is the intent of these Bylaws that the terms of the directors shall be staggered. The terms of each of the directors of the Association are already staggered; therefore, at the end of each director's term, the successor elected at the end of a director's term shall serve for terms of three (3) years.

(b) Upon a binding vote of the voting rights entitled to be cast by the members present or represented by proxy or absentee ballot, if permitted, at which a quorum is present, the Board of Directors may be increased from five (5) directors to seven (7) directors or may be decreased from seven (7) directors to (5) directors, as the case may be. If the number of directors is increased, two (2) additional directors shall be elected by the members to serve, one for a one-year term, and one to serve for a two-year term.

(c) All Board members must be an Owner or the co-owner of a Unit and/or Lot. However, multiple Owners of the same Unit and/or Lot may not serve as Board members simultaneously. An officer or employee of a corporation, a partner of a partnership, a trustee of a trust, a personal representative of an estate or an employee of a trust or estate, may serve on the Board if the corporation, partnership, trust or estate owns a Unit and/or Lot.

3.2    Vacancies. Vacancies on the Board of Directors, caused by any reason other than the removal of a Board member by a vote of the Association, shall be filled for the balance of the term of each Board membership by vote of a majority of the remaining Board members even though they may constitute less than a quorum. Each person so elected shall be a Board member until a successor is elected upon expiration of the term for which the person was elected by the other Board members to serve.

##### **3.3    Removal of Board members.**

(a) At any annual or special meeting, other than a meeting by written ballot conducted pursuant to Section 2.12 above, any one or more of the Board members, other than

interim Board members, may be removed, with or without cause, by a majority of the Owners present in person or by proxy, at a duly constituted meeting. A successor may be elected at that meeting to fill the vacancy thus created. The notice of the meeting must state that the removal is to be considered and any Trustee whose removal has been proposed by the owners may be given an opportunity to be heard at the meeting.

(b) The Board of Directors, pursuant to Section 6.2(c) below, may declare the office of a member of the Board of Directors to be vacant in the event such member is absent from three (3) consecutive regular meetings of the Board of Directors. The vacancy shall be filled as provided in Section 3.2 above.

3.4 Compensation. No Board member shall receive compensation for any service he or she may render to the Association. However, any Trustee may be reimbursed for actual expenses incurred in the performance of his or her duties.

3.5 Action Taken Without A Meeting. The Board members shall have the right to take any action in the absence of a meeting which they could take at a regular or special meeting by obtaining the written approval of all the Board members in accordance with Utah Code Ann. §16-6a-813, as amended from time to time. Any action so approved shall have the same effect as though taken at a meeting of the Board members.

#### **ARTICLE 4**

#### **NOMINATION AND ELECTION OF BOARD OF DIRECTORS MEMBERS**

##### 4.1 Nomination.

(a) Method of Nomination. Nomination for election to the Board of Directors, including action under Section 3.3 above, may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting or any special meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies.

(b) Nominating Committee. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Directors; and two (2) or more members of the Association.

4.2 Election. At the election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

#### **ARTICLE 5**

#### **MEETINGS OF BOARD OF DIRECTORS**

##### 5.1 Organizational Meeting.



(a) Location, Date and Time. The first meeting of a newly-elected Board of Directors shall be held within fourteen (14) days of election at such place, date and time as shall be fixed by the Board members at the meeting at which the Board members were elected and no notice shall be necessary to owners or to the newly elected Board members in order to legally hold the meeting providing a majority of the elected Board members are present.

(b) Procedure and Business. Until the election of new officers, the meeting shall be chaired by the outgoing president, or in the absence of such person, the outgoing secretary, regardless of whether the outgoing president or secretary is as member of the newly constituted board. At the organizational meeting, the Board of Directors shall elect officers in accordance with Section 7.2 below and may conduct any other Association business.

5.2 Regular Meetings. Regular meetings of the Board of Directors shall be held, 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 shall be held at the same time on the next day which is not a legal holiday, or at a another date and time agreed upon by the Board of Directors, but not more than one week after the legal holiday.

5.3 Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) Board members, after not less than three (3) days notice to each Board member by mail, including electronic mail if approved by the Board, telephone, or facsimile. The notice must state the time, place, and purpose of the meeting.

5.4 Meeting Procedure. Unless other rules of order are adopted by resolution of the Board of Directors:

(a) Meetings of the Board of Directors shall be conducted by the President.

(b) A decision of the Board of Directors may not be challenged because the appropriate rules of order were not used.

(c) A decision of the Board of Directors is deemed valid without regard to any procedural errors related to the rules of order unless the error appears on the face of a written instrument memorializing the decision.

5.5 Open Meetings; Executive Sessions.

(a) Open Meetings. Except as provided in Subsection (b) of this section, all meetings of the Board of Directors shall be open to Unit Owners. However, no Owner shall have a right to participate in the Board of Directors meeting unless the Owner is also a member of the Board. The president shall have the authority to exclude an Owner who disrupts the proceedings at a Board meeting.

(b) Executive Sessions. In the discretion of the Board, the following matters may be considered in executive session:

(1) Consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation or criminal matters;

(2) Personnel matters, including salary negotiations and employee discipline;

(3) The negotiation of contracts with third parties;

(4) Collection of unpaid assessments; and

(5) Other matters of a sensitive, private, or privileged nature.

(c) **Executive Session Procedure.** Except in the case of an emergency, the Board of Directors shall vote in an open meeting whether to meet in executive session. If the Board votes to meet in executive session, the president or other presiding officer shall state the general nature of the action to be considered and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to owners. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting.

5.6 **Meetings by Telephonic or Electronic Communication.** In the event of an emergency, or by decision of the Board, meetings of the Board of Directors may be conducted by telephonic communication or by the use of a means of communication that allows all members of the Board of Directors participating to hear each other simultaneously or otherwise to be able to communicate during the meeting.

5.7 **Waiver of Notice.** Any Board member may, at anytime, waive notice of any meeting of the Board of Directors in writing, and the waiver shall be deemed equivalent to the giving of the notice. Attendance by a Board member at any meeting of the Board shall constitute a waiver of notice by the Board member, except where the Board member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all Board members are present at any meeting of the board, no notice to Board members shall be required and any business may be transacted at the meeting.

5.8 **Quorum and Acts.** At all meetings of the Board of Directors a majority of the existing Board members shall constitute a quorum for the transaction of business and the acts of the majority of the Board members present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

## **ARTICLE 6**

### **POWERS, RIGHTS, AND DUTIES OF THE BOARD OF DIRECTORS**

6.1 General Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, the Declaration or by these Bylaws directed to be exercised and done by the Owners.

6.2 Specific Powers. In addition to powers imposed by the Declaration, these Bylaws or by resolutions of the Association, the Utah Revised Nonprofit Corporation Act, the Utah Community Association Act or other applicable law, the Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the Common Areas, including any improvements and amenities located thereon, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.

(b) Suspend the voting rights and right to use of any recreational facilities located on any Common Areas of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended for a period not to exceed sixty (60) days for infraction of published rules and regulations or any provisions of the Declaration.

(c) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

(d) Employ a manager, independent contractor, or such other individuals, entities or employees as they deem necessary and to prescribe their duties.

(e) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(f) As more fully provided in the Declaration, to:

(1) Foreclose the lien against any Unit and/or Lot for which Assessments are not paid within thirty (30) days after the due date thereof or to bring an action at law against the Owner personally obligated to pay the same;

(2) Procure and maintain adequate liability and hazard insurance on property Owned by the Association or maintained by the Association if required by the Declaration.

(3) Cause all officers or employees, if any, having fiscal responsibilities to be bonded as it may deem appropriate.

(4) Cause to be maintained the Common Areas and any other areas shown on the Plat that may be owned by governmental entities who are not maintaining such areas and any other property required to be maintained by the Declaration.

(5) Establish and maintain the financial accounts of the Association.

(6) Establish a budget for payment of all Common Expenses of the Association, and institute and maintain a voucher system for payment, which may require a sufficient number of signatories thereon as may be reasonably necessary to prevent any misuse of the Association's funds.

(7) In the Board's discretion, appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint such other committees as deemed appropriate in carrying out its purpose.

## **ARTICLE 7 OFFICERS AND THEIR DUTIES**

### **7.1    Designation and Qualification.**

(a)    **Designation.** The principal officers of the Association shall be a president, a vice-president, a secretary and a treasurer. The Board members may designate the office of assistant treasurer and assistant secretary.

(b)    **Qualifications.** The president and vice-president shall be a member of the Board of Directors, but the other officers need not be Board members. Any Board member may be an officer of the Association.

(c)    **Multiple Offices.** The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices specified in subsection (a) of this section.

(d)    **Special Appointments.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

7.2    **Election and Vacancies.** The officers of the Association may be elected by the Board of Directors at the organizational meeting of each new Board held in accordance with Section 5.1 above or any Board of Directors meeting thereafter to serve until their respective successors are elected at the next organizational meeting. If any office becomes vacant by reason of death, resignation, removal, disqualification or any other cause, the Board of Directors shall elect a successor to fill the unexpired term at any meeting of the Board of Directors.

7.3    **Resignation.** Any officer may resign at any time by giving written notice to the Board of Directors, the president or the secretary. The resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

7.4 Removal of Officers. Officers shall hold office at the pleasure of the Board of Directors. 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.

7.5 Compensation of Officers. No officer who is a member of the Board of Directors may receive any compensation from the Association for acting as an officer, unless the compensation is authorized by a binding vote of the Owners. The Board of Directors may fix any compensation to be paid to any officers who are not also Board members.

7.6 Duties of Officers. The duties of the officers are as follows:

(a) President. The president shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors. The president shall have all of the general powers and duties which are usually vested in the office of president of an association. The president shall have the authority to 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 the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board. The Vice-President shall likewise have the authority to sign all leases, mortgages, deeds and other written instruments.

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

(d) Treasurer. The treasurer shall have responsibility for the Association's funds and securities not otherwise held by a managing agent, and shall be responsible for causing full and accurate accounts of all receipts and disbursements to be kept in books belonging to the Association. The treasurer shall be responsible for causing the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may, from time to time, be designated by the Board of Directors and disbursing funds as directed by resolution of the Board of Directors.

## **ARTICLE 8**

### **INDEMNIFICATION OF OFFICERS AND BOARD MEMBERS**

Each officer and Board member of the Association, in consideration of his or her services, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, civil or criminal, to which he or she may be a party by reason of being or

having been a Board member or officer of the Association. The foregoing right to indemnification shall be exclusive of any other rights to which the Board member or officer or person may be entitled by law or agreement or vote of the members or otherwise.

## **ARTICLE 9 RECORDS AND AUDITS**

The Association shall maintain within the State of Utah, all documents, information and other records of the Association in accordance with the Declaration, these Bylaws and the Utah Revised Nonprofit Corporation Act in the manner prescribed by a resolution adopted by the Board of Directors.

### **9.1     General Records.**

(a)     The Board of Directors and managing agent or manager, shall keep records of the actions of the Board of Directors and managing agent or manager; minutes of the meetings of the Board of Directors; and minutes of the meeting of the Association.

(b)     The Board of Directors shall maintain a Book of Resolutions containing the rules, regulations, and policies adopted by the Association and Board of Directors.

(c)     The Board of Directors shall maintain a list of Owners. The list of Owners may specify whether the Owner is an Owner in Good Standing or a Suspended Owner.

(d)     The Association shall retain within this State, all records of the Association for not less than the period specified in applicable law.

9.2     Records of Receipts and Expenditures. The Board of Directors or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Community, itemizing the maintenance and repair expenses of the Common Area or Association property and any other expenses incurred.

9.3     Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. The account shall designate the Unit number, the name and address of the Owner or Owners, the amount of each Assessment against the Owners, the dates and amounts in which the Assessment comes due, the amounts paid upon the account, and the balance due on the Assessments.

### **9.4     Financial Reports and Audits.**

(a)     An annual report of the receipts and expenditures of the Association and a balance sheet showing assets and liabilities shall be rendered by the Board of Directors to all Owners and to all mortgagees of Units who have requested the same in writing within ninety (90) days after the end of each fiscal year.

(b) From time to time, the Board of Directors, in its sole discretion and at the expense of the Association, may obtain an audit by a certified public accountant or other financial review of the books and records pertaining to the Association and furnish copies thereof to the Owners and Mortgagees of Units and/or Lots.

9.5 Inspection of Records by Owners.

(a) Except as otherwise provided in Section 9.6 below, all records of the Association shall be reasonably available for examination by an Owner and any Mortgagee of a Unit pursuant to rules adopted by resolution of the Board of Directors or if no such resolution has been adopted, pursuant to the Utah Revised Nonprofit Corporation Act.

(b) The Board of Directors shall maintain a copy, suitable for the purposes of duplication, of the following: (1) The Declaration, Bylaws and any amendments in effect or supplements thereto, and rules and regulations of the Association; (2) The most recent financial statement prepared pursuant to Section 9.4 above; and (3) The current operating budget of the Association.

(c) The Association, within five (5) business days after receipt of a written request by an owner, shall furnish the requested information required to be maintained under Subsection (b) of this section, subject to a reasonable fee for furnishing copies of any documents, information or records described in this section. The fee may include reasonable personnel costs incurred to furnish the information.

(d) The Board of Directors, by resolution, may adopt reasonable rules governing the frequency, time, location, notice and manner of examination and duplication of Association records and the imposition of a reasonable fee for furnishing copies of any documents, information or records described in this section. The fee may include reasonable personnel costs incurred to furnish the information.

9.6 Records Not Subject to Inspection. Records kept by or on behalf of the Association may be withheld from examination and duplication to the extent the records concern:

(a) Personnel matters relating to a specific identified person or a person's medical records.

(b) Contracts, leases and other business transactions that are currently under negotiation to purchase or provide goods or services.

(c) Communications with legal counsel that relate to matters specified in Subsections (a) and (b) of this section, and any other communications with legal counsel that are protected by any privilege, including the attorney client privilege.

(d) Disclosure of information in violation of law.

(e) Documents, correspondence or management or Board reports compiled for or on behalf of the Association or the Board of Directors by its agents or committees for consideration by the Board of Directors in executive session held in accordance with these Bylaws.

(f) Documents, correspondence or other matters considered by the Board of Directors in executive session held in accordance with these Bylaws.

(g) Files of individual Owners, other than those of a requesting Owner or requesting mortgagee of an individual Owner, including any individual Owner's file kept by or on behalf of the Association.

9.7 Notice of Sale or Mortgage. Immediately upon the sale or Mortgage of any Unit, the Owner shall promptly inform the secretary or manager of the name and address of the purchaser, vendee or Mortgagee.

## **ARTICLE 10 ASSESSMENTS**

10.1 Each member is obligated to pay to the Association Assessments specified in the Declaration which are secured by a continuing lien upon the Unit and/or Lot against which the assessment is made.

10.2 Any Assessments or portions thereof which are not paid when due shall be delinquent and subject to the remedies specified in the Declaration. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Unit and/or Lot, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment.

10.3 No Owner may waive or otherwise escape liability for the Assessment provided for in the Declaration by non-use of the Common Areas or abandonment of the Owner's Unit and/or Lot.

## **ARTICLE 11 AMENDMENTS**

11.1 Adoption. Amendments to these Bylaws may be approved by the Association at a duly constituted meeting or meeting by written ballot in lieu of a meeting conducted pursuant to these Bylaws. The affirmative assent of at least sixty-seven percent (67%) of those members of the Association, who actually cast votes through the voting procedure authorized by the Board for that particular action (e.g., at a meeting, through mail-in ballot, or a meeting in conjunction with the use of mail-in ballots) at which a quorum is present shall be the act of the Owners. In addition to the approval of the Owners, fifty-one percent (51%) of the Eligible Holders shall be required for any amendment or change to the material provisions of the Bylaws pertaining to voting rights.



11.2 Execution and Recording. An amendment shall not be effective until certified by the president and secretary of the Association as being adopted in accordance with these Bylaws, acknowledged and recorded with the County Recorder's Office.

11.3 Challenge to Validity. No action to challenge the validity of an adopted amendment may be brought more than one (1) year after the amendment is recorded.

## **ARTICLE 12 MISCELLANEOUS**

### 12.1 Notices.

(a) Association. All notices to the Association or the Board of Directors shall be sent care of the managing agent.

(b) Owners.

(1) Except as otherwise provided in the Declaration, these Bylaws or law, all notices to any Owner shall be sent to such address as may have been designated by him or her, from time to time, in writing to the Board of Directors, or if no address has been designated, then to the Owner's Unit and/or Lot.

(2) If a Unit and/or Lot is jointly owned or the Unit and/or Lot has been sold under a land sale contract, notice shall be sent to a single address, of which the secretary has been notified in writing by such parties. If no address has been given to the secretary in writing, then mailing to the Unit and/or Lot shall be sufficient.

12.2 Waiver, Precedent and Estoppel. No restriction, condition, obligation, or provision contained in these Bylaws or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Association by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur and any failure to enforce the same shall not be deemed to constitute precedent or estoppel impairing the right of the Association as to any similar matter.

12.3 Invalidity; Number; Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

12.4 Fiscal Year. The fiscal year of the Association shall be determined by the Board in its discretion.

12.5 Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

IN WITNESS WHEREOF, the Association has caused these Bylaws to be executed by its duly authorized officers on this 4<sup>th</sup> day of January, 2012.

  
\_\_\_\_\_, President

  
\_\_\_\_\_, Secretary