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**BYLAWS**

**OF**

**HOLLADAY FARMS HOMEOWNERS ASSOCIATION**

A UTAH NONPROFIT CORPORATION

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## RECITALS

A. These BYLAWS of HOLLADAY FARMS HOMEOWNERS ASSOCIATION (“Bylaws”) are made on the date evidenced below by the HOLLADAY FARMS HOMEOWNERS ASSOCIATION (the “Association”).

B. The property subject to these Bylaws is the Holladay Farms Planned Unit Development subdivision in Salt Lake County, State of Utah. **Exhibit A** of these Bylaws further defines the property subject to these Bylaws.

C. These Bylaws supersede and replace all prior Bylaws, and amendments or supplements thereto adopted by the Association, if any.

D. Pursuant to the Utah Revised Noncorporation Corporation Act, §§16-6a-206, the Board of Directors has voted affirmatively to adopt these Bylaws.

## ARTICLE 1 - DEFINITIONS

The definitions contained in the Declaration of Covenants, Conditions, and Restrictions for Holladay Farms Planned Unit Development, recorded on May 6, 2005, as Entry Number 9370482, in the office of the Salt Lake County Recorder, State of Utah, (“Declaration”) as may be amended from time to time, shall be applicable to these Bylaws.

## ARTICLE 2 –ELECTRONIC MEANS – NOTICE & VOTING

### 2.1 Notices.

2.1.1 Association. All notices to the Association or the Board of Directors shall be sent care of the managing agent or, if there is no managing agent, to the principal office of the Association or to such other address as the Board may hereafter designate from time to time.

### 2.1.2 Owners.

(a) Notice by Electronic Means. In any circumstance where notice is required to be given to Owners, the Association may provide notice by electronic means, including text message, email, or an Association website, if the Board deems the notice to be fair and reasonable. An Owner may require the Association, by written demand, to provide notice to the Owner by regular U.S. mail. The Board of Directors is authorized to promulgate rules and procedures facilitating the implementation of this section as it deems fit from time to time, including requiring Owners to furnish the Association with a current email address so long as such email addresses are not deemed a record of the Association and shall only be used by the Board of Directors for Association business.

(b) 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 Lot. Neither the Board nor its Agent(s) shall be responsible for locating the

Owner if their mailing or email address has changed. Owners shall be responsible to notify the Association of all such changes.

(c) If a Lot is jointly owned, 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 Lot shall be sufficient.

2.2 Affairs, Electronic Means. Except for the election of Directors, or as stated herein, any notice, transaction or action involving the business or affairs of the Association or the Board (whether or not expressly stated in any Articles or Sections of the Declaration or Bylaws), including but not limited to any and all notices, voting matters (whether by members or the Board) referred to in these Bylaws and the Declaration may be conducted by electronic means. The Association may accept an electronic vote, consent, written ballot, waiver, proxy appointment, proxy revocation or any other verified action taken through electronic means as the act of the Member if the Board does so in good faith and has no reason to believe it is not the act of the Member. Any such document or 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. A writing includes any document, record, vote, ballot, proxy, or instrument required or permitted to be transmitted by a member or by the Association.

### **ARTICLE 3 – ASSOCIATION MEETINGS, VOTING, QUORUM**

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

3.2 Annual Meetings. Each regular annual meeting of the members shall be held each year on the day and at a time and place within the state of Utah selected by the Board.

3.3 Special Meetings. The Association, by and through the Board, shall notice, hold and conduct a special meeting of its members (1) on call of the President or a majority of the Board, or (2) if the Association receives one or more written demands for the meeting that state the purpose or purposes for which the meeting is to be held, and are signed and dated by members in good standing holding at least 50% of the voting rights of the Association. When a special meeting is demanded by the members, the Board shall set the time and date for the meeting so that the meeting occurs within 65 days of receipt of the demand and if notice of the meeting is not given by the Board within 30 days after the date the written demand is delivered to an Association officer, a person signing the demand may set the time and place of the meeting and give notice pursuant to the requirements herein. Business transacted at a special meeting shall be confined to the purposes stated in the notice of the meeting.

3.4 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, in a fair and reasonable

manner, including by delivering a copy of such notice to each member entitled to vote thereat, in accordance with the notice requirements specified in these Bylaws, and sufficiently in advance of the meeting to provide fair and reasonable notice of the meeting, as determined by the Board. Notice shall always be deemed fair and reasonable if given no less than fifteen (15) nor more than sixty (60) days before the meeting, but shorter notice may also be fair and reasonable when all the circumstances are considered. The notice shall specify the place, day and hour of the meeting, and must include a description of any matter that must be approved by the members and, in the case of a special meeting, the purpose of the meeting.

3.5 Voting. Each Lot shall be allocated one (1) vote.

3.6 Proxies and Absentee Ballots. A vote may be cast in person, by proxy or by absentee ballot. 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. 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. No proxy shall be valid if it purports to be revocable without notice. 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 if a vote is being conducted by written ballot in lieu of a meeting. Every proxy shall automatically cease upon sale of the Lot. Proxies may be turned in to a Board member or Agent of the Board up to the beginning of the voting portion of a meeting.

3.7 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 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 Lot in such capacity.

(b) Joint Owners. Whenever any Lot is owned by two or more persons jointly, according to the records of the Association, the vote of the 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 Lot shall be disregarded completely in determining the proportion of votes given with respect to the matter.

3.8 Quorum of Owners.

(a) At any meeting of the Association, the presence of Members in person, by proxy or written ballot of thirty percent (30%) of the total Lots shall constitute a quorum, except for matters requiring a higher quorum as provided in the Declaration or these Bylaws.

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

(c) If any meeting or vote of members cannot be organized because of a lack of quorum, a majority of those present may adjourn the meeting for a period of not more than three (3) business days to acquire the proxy or presence of a quorum of Members. If the required quorum cannot be obtained, another meeting may be called subject to the notice requirement and the required quorum at the subsequently noticed meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

3.9 Binding Vote. Unless expressly stated otherwise in the Declaration or these Bylaws and upon the establishment of a quorum, any matter properly brought before the Owners for a vote is approved and shall be binding upon all Owners for all purposes if the votes cast favoring the action exceed the votes cast opposing the action.

3.10 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 the preceding meeting; (d) Reports of officers; (e) Reports of committees, if any; (f) Election of Board members; (g) Unfinished business; (h) New business; and (i) Adjournment.

3.11 Meeting Procedure. Rules of order may be adopted by resolution of the Board, otherwise, the President shall conduct meetings according to the procedure he or she deems fit. A decision of the Association may not be challenged on the basis that appropriate rules of order were not used.

3.12 Action by Written Ballot in Lieu of a Meeting. Any action that may be taken at any annual, regular, or special meeting of members, except the election of Directors, may be taken without a meeting if the Association causes to be delivered a written ballot to every member entitled to vote on the matter not less than fifteen (15) days prior to the date on which the ballots must be received by the Association in order to be counted. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter other than election of directors; specify the time by which a ballot must be received by the Association in order to be counted; and be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter. Action taken under this section has the same effect as action taken at a meeting of members and may be described as such in any document. The Board 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. Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning

ballots has passed.

3.13 Action without Notice and a Meeting. Any action required to be taken or which may be taken at a meeting of members may be taken without a meeting and without prior notice if one or more consents in writing, setting forth the action so taken, are signed by members having not less than the minimum voting power that would be necessary to authorize or take the action at a meeting at which all members entitled to vote on the action were present and voted. All such writings must be received by the Association within a sixty (60) day period. Any such writing may be received by the Association by electronically transmitted facsimile or other form of communication providing the Association with a complete copy thereof, including a copy of the signature thereto. Action taken pursuant to this section shall be effective when the last writing necessary to effect the action is received by the Association, unless the writings describing and consenting to the action set forth a different effective date.

#### **ARTICLE 4 – BOARD OF DIRECTORS – SELECTION, TERM OF OFFICE**

##### 4.1 Number, Term and Qualifications.

(a) Number. The affairs of the Association shall be governed by a Board of Directors composed of three (3) Board members. The number composing the Board of Directors may be altered from time to time (so long as an odd number of Directors is required) by the action of a majority of the Board Members at any regular or special meeting called for such purpose and shall be duly announced to the membership.

(b) Term and Term Limits. Members of the Board of Directors shall serve for a term of two (2) years. Upon the adoption of these Bylaws and to help ensure the Board does not completely turnover in any given year, the Board shall hereafter have “staggered” Board terms. The now serving Board members shall allocate amongst themselves which Board members will serve a one (1) year term. (This determination shall be based off the date of the next annual meeting which shall be deemed the end of the first one (1) year term as stated herein). Thereafter, all Board terms shall be for two (2) years. If, at any annual meeting there are not sufficient candidates to fill the seat(s) on the Board which are to be voted upon, those members then serving in those seats shall continue as Board members until the next election. Any Board member appointed or elected to the Board pursuant to sections 4.4 or 4.5 below, shall serve the remaining term of the member whom they are succeeding.

(c) Qualification. All Board members must be an Owner or the spouse of an Owner (or its equivalent), of a Lot. A representative of an entity which owns a Lot may serve on the Board of Directors, such that a shareholder of a corporation, a member of an LLC, a partner of a partnership, a Director or beneficiary of a trust, or a personal representative of an estate, may serve on the Board of Directors if the corporation, LLC, partnership, trust or estate owns a Lot. All Board members must be current in all assessment payments and not be in current violation of any of the Governing Documents to qualify for Board service. Should co-owners (owner and spouse for example) wish to serve on the Board at the same time, the fact that they represent the same unit must be disclosed at any election prior to voting.

4.2 Nomination. Nomination for election to the Board shall be made in the manner determined by the Board, which may include a Nominating Committee as well as nominations from the floor at a meeting. If a nominating committee is established, the nominating committee must submit its names of candidates in time to be included with the first formal “notice of meeting” sent to the Owners. Regardless, at any meeting at which Board elections are to take place, nominations from the floor shall occur and one may nominate him or herself.

4.3 Election. At the election, the Owners 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. Voting in an election shall be by written ballot. Once a quorum is established, the persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

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

4.5 Removal of Board of Directors Members.

(a) At any annual or special meeting, any one or more of the Board of Directors members may be removed, with or without cause, by a majority of the total voting interests of all the Owners (voting in person or by proxy). 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 Board of Directors member whose removal has been proposed by the owners may be given an opportunity to be heard at the meeting.

(b) A Board of Directors member who is delinquent in the payment of an Assessment for longer than three months, is absent from three (3) consecutive regular meetings of the Board of Directors, or is absent from more than twenty-five percent (25%) of the regular Board of Directors meetings held in any 12-month period, may be deemed to have tendered his or her resignation, and upon acceptance by the Board of Directors his or her position shall be deemed vacant. The vacancy shall be filled as provided in Section 4.4 above.

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

4.7 Action Taken Without a Meeting. The Board shall have the right to take any action in the absence of a meeting which they could take at a regular or special meeting if all the Board members agree in writing to take a vote or an action without a meeting. The action being taken shall not require unanimous consent of the Board. Any action so taken shall have the same effect as though taken at a meeting of the Board members.



## ARTICLE 5 - MEETINGS OF THE BOARD OF DIRECTORS

### 5.1 Organizational Meeting.

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

(b) Procedure and Business. Until the election of new officers, those existing officers that continue to serve on the Board of Directors shall remain in their positions, and the organizational meeting shall be chaired by the president, or in the absence of such person, the vice president, or in the absence of such person, the secretary. At the organizational meeting, the Board of Directors elect officers in accordance with Section 7.2 below and may conduct any other Association business.

5.2 Regular Meetings Notice to Board of Directors Members. Regular meetings of the Board shall be held at such date, time and place as may be fixed from time to time by the Board of Directors. Notice of Board Meeting shall be as provided for in the Act and these Bylaws, however, Board Members waive notice of Board meetings by attending. 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 another date and time agreed upon by the Board with notice to all members of the Board.

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 48 hours' notice to each Board member by mail, electronic mail, telephone, or facsimile, unless waived pursuant to 5.7 below. The notice must state the date, time, and place of the meeting.

5.4 Meeting Procedure. Formal rules of order shall only apply to any Board of Directors or Association meeting inasmuch as one or more rules of order are adopted by the Board by resolution. Meetings of the Board shall be conducted by the President. A decision of the Board may not be challenged because the appropriate rules of order were not used. 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 below, all meetings of the Board of Directors shall be open to Owners. However, no Owner shall have a right to participate in the Board meeting unless the Owner is also a member of the Board. The president or Board shall have the authority to exclude an Owner who disrupts the proceedings at a Board meeting.

(b) Notice of Board of Directors Meetings to Owners. At least 48 hours before a Board of Directors meeting, the Association shall give written notice of the meeting via email to

each Owner who requests notice of a Board of Directors meeting (“Meeting Notice”), unless notice of the meeting is included in a meeting schedule that was previously provided to the Owner, or the meeting is to address an emergency, and each Board of Directors member receives notice of the meeting less than 48 hours before the meeting. A Meeting Notice shall: (i) be delivered to the Owner by email, to the email address that the Owner provides to the Association; (ii) state the time and date of the meeting; (iii) state the location of the meeting; and (iv) if a Board of Directors member may participate by means of electronic communication under Section 5.6 below, provide the information necessary to allow the Owner to participate by the available means of electronic communication.

(c) Executive Sessions. In the discretion of the Board of Directors, the Board of Directors may close a Board meeting and adjourn to executive session to: (1) consult with an attorney for the purpose of obtaining legal advice; (2) discuss ongoing or potential litigation, mediation, arbitration, or administrative proceedings; (3) discuss a personnel matter; (4) discuss a matter relating to contract negotiations, including review of a bid or proposal; (5) discuss a matter that involves an individual if the discussion is likely to cause the individual undue embarrassment or violate the individual’s reasonable expectation of privacy; or (6) discuss a delinquent assessment or fine.

(d) 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 of Directors 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 Real Time (e.g., by Conference Call or Skype). In the event of an emergency, or by decision of the Board of Directors, and to the fullest extent allowed by law, meetings of the Board of Directors may be conducted by means of electronic communication that allows all members of the Board of Directors participating to be able to communicate orally in real time.

5.7 Waiver of Notice. Any Board of Directors member may, at any time, 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 of Directors member at any meeting of the Board of Directors shall constitute a waiver of notice by the Board of Directors member, except where the Board of Directors 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 of Directors members are present at any meeting of the Board of Directors, no notice to Board of Directors 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 of Directors members shall constitute a quorum for the transaction of business and the acts of the majority of the Board of Directors 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 without further notice. At

any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted.

For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Board of Directors member may be considered to be present at a meeting and to vote if the Board of Directors member has granted a signed written proxy: (i) to another Board of Directors member, or other person, who is present at the meeting; and (ii) authorizing the other Board of Directors member or person to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy (a directed proxy).

## **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 or the Governing Documents specifically directed to be exercised and done by the Owners.

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

6.3 Best Interest of Association and Reliance on Information. A Board of Directors member or officer shall discharge the Board of Directors member or officer's duties (a) in good faith, (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and (c) in a manner the Board of Directors member or officer reasonably believes to be in the best interests of the Association. The Board of Directors members shall, at all times, keep themselves reasonably informed and take such steps and necessary actions as a reasonable prudent person would do to serve the best interest of the Association.

6.4 Reliance on Information. In discharging duties, a Board of Directors member or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: (a) one or more officers or employees of the Association whom the Board of Directors member or officer reasonably believes to be reliable and competent in the matters presented, (b) legal counsel, a public accountant, or another person as to matters the Board of Directors member or officer reasonably believes are within the person's professional or expert competence, or (c) in the case of a Board of Directors member, a sub-committee of the Association or Board of Directors of which the Board of Directors member is not a member if the Board of Directors member reasonably believes the sub-committee merits confidence.

6.5 Conflicts of Interest.

(a) A "conflict of interest" or "conflicting interest transaction" includes a contract, transaction, or other financial relationship between the Association and (1) a Board of Directors member, (2) a party related to a Board of Directors member, or (3) an entity in which a Board of

Directors member is a director or officer or has a financial interest.

(b) A Board of Directors member shall avoid conflicts of interest or conflicting interest transactions, unless: (1) the material facts as to the Board of Directors member's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board of Directors, (2) the Board of Directors in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Board of Directors members (even if the disinterested Board of Directors members are less than a quorum), and (3) the conflicting interest transaction is fair as to the Association.

6.6 Professional Manager. The Board of Directors may hire a professional manager to manage all of the business, property and affairs of the Project and shall determine a reasonable fee or compensation for such services. The professional manager selected shall serve for the period of time designated by the Board and the Board shall have the right to change managers from time to time as it deems necessary.

6.7 Adoption of Rules. The Board of Directors and the professional manager shall have the power to adopt and establish, by resolution, such building, management and operational rules and regulations as it may deem necessary for the maintenance, operation, management and control of the Association. The Board of Directors and the professional manager may from time to time, by resolution, alter, amend and repeal such rules and regulations. Lot Owners shall at all times obey such rules and regulations and use their best efforts to see that they are faithfully observed by their Lessees and the persons over whom they have or may exercise control or supervision, it being clearly understood that such rules and regulations shall apply and be binding upon all Lot Owners.

## **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 Offices of Secretary and Treasurer may be held by the same member.

(b) Qualifications. The Officers of the Association shall be elected by and from the Board of Directors, and any such Officer shall cease to be an Officer upon ceasing to be on the Board of Directors. Any Board of Directors member may be an Officer of the Association.

(c) Multiple Offices. A person may simultaneously hold more than one office, with the exception that the President may not also act as the treasurer.

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 of Directors 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.

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. Any Officer may be removed, either with or without cause, upon an affirmative vote of a majority of the members of the Board of Directors.

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

7.6 Duties of Officers. Officers shall have such duties prescribed with respect to the office by the Declaration, Bylaws, and by the Board of Directors, to the extent not inconsistent with these Bylaws or the Declaration. The Board of Directors may delegate any powers or duties of Officers to other persons or agents as the Board of Directors deems necessary or appropriate from time to time. Any principal Officer may prepare, execute, certify, and record amendments to the Declaration or these Bylaws on behalf of the Association in accordance with the amendment provisions of the Declaration or these Bylaws. The general 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, including amendments to the Governing Documents.

(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 of Directors. The Vice-President shall likewise have the authority to sign all leases, mortgages, deeds and other written instruments.

(c) Secretary. The secretary shall prepare and maintain the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association, have charge of such books, papers and records as the Board of Directors may direct, shall have the responsibility for preparation and maintenance of any other records required to be kept by the Association under the Act and under Section 16-6a-1601 of the Utah Revised Nonprofit Corporation Act; and for authenticating records of the nonprofit corporation, and in general, shall 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 Board of Directors member, committee member and officer of the Association, in consideration of his or her services, shall be indemnified by the Association to the extent permitted by the Utah Revised Nonprofit Corporation Act (regardless of the Association's corporate status or lack thereof) against expenses and liabilities reasonably incurred by him or her in connection with the defense of any actual or threatened 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 of Directors member or officer of the Association. The foregoing right to indemnification shall not be exclusive of any other rights to which the Board of Directors 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 Governing Documents, the Community Association Act and the Utah Revised Nonprofit Corporation Act.

### **9.1 General Records.**

(a) Permanent Records. The Association shall keep (or cause to be kept) as permanent records: (1) The Declaration, Bylaws and Articles of Incorporation, (2) minutes of all meetings of the Association and of the Board of Directors; (3) a record of all actions taken by the Association members of the Board of Directors without a meeting; (4) a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Association; and (5) a record of all waivers of notices of meetings of members and of the Board of Directors or any committee of the Board of Directors.

(b) Resolutions and Rules. The Association shall maintain (1) a record of the rules, regulations, and policies adopted by the Association, (2) appropriate accounting records, and (3) a record of its members in a form that permits preparation of a list of the name and address of all members in alphabetical order and showing the number of votes each member is entitled to vote.

(c) Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Lot. The account shall designate the Lot 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.

(d) Records at Principal Office. The Association shall keep a copy of each of the following records at its principal office (copies of such records kept electronically by an

Association officer or manager shall satisfy this requirement regardless of where located as long as such electronic records are capable of being transmitted to, or viewed by, others, such as via email from an electronic storage medium or via website): (1) all Governing Documents; (2) the minutes of all Owners' meetings for a period of three years; (3) records of all action taken by Owners without a meeting, for a period of three years; (4) all written communications to Owners generally as Owners for a period of three years; (5) a list of the names and business or home addresses of the current Board of Directors members and officers; (6) a copy of its most recent annual report (annual renewal) delivered to the Division of Corporations under Utah Code Section 16-6a-1607; and (7) all financial statements prepared for periods ending during the last three years that show in reasonable detail the assets and liabilities and results of the operations of the Association.

9.2 Financial Reports and Audits. Upon written request by an Owner or mortgagee of a Lot, 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 the person(s) making the request within ninety days after the end of each fiscal year. From time to time, the Board of Directors, 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.

9.3 Inspection of Records by Owners.

(a) Except as otherwise provided in herein, all records of the Association shall be reasonably available for examination by an Owner and any mortgagee of a Lot pursuant to the Utah Revised Nonprofit Corporation Act.

(b) The Board 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 9.2 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 records it deems to satisfy the request pursuant to law and these Bylaws, 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) As consistent with Utah law, the Board, 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.

9.4 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 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 by its agents or committees for consideration by the Board in executive session held in accordance with these Bylaws.

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

(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.

#### **ARTICLE 10 - AMENDMENTS**

Approval by at least a majority of the Board of Directors of the Association is required to amend these Bylaws. An amendment shall not be effective until certified by the president of the Association as being adopted in accordance with these Bylaws, acknowledged, and recorded against the Lots in the records of the County Recorder.

#### **ARTICLE 11 - MISCELLANEOUS**

11.1 Utah HOA Registry. The Association shall register with the Utah Department of Commerce in the manner established by the department and in compliance with the Act (the "Homeowner Associations Registry").

11.2 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.

11.3 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. 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.



11.4 Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors.

11.5 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.

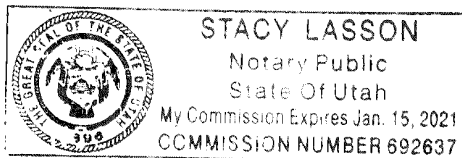
IN WITNESS WHEREOF, the Association has caused these Bylaws to be executed by its duly authorized officers on this 3 day of JANUARY, 2020.

**HOLLADAY FARMS HOMEOWNERS  
ASSOCIATION**

Sign: Joel McGee  
Print: JOEL MCGEE  
Its: PRESIDENT

STATE OF UTAH )  
County of Salt Lake ) ss:

The foregoing instrument was acknowledged before me on this 3 day of January, 2020 by Joel McGee.



Stacy Lasson  
Notary Public for Utah

**EXHIBIT A**

Legal Description

All Lots and Common Area HOLLADAY FARMS PUD, according to the official plats thereof recorded with the office of the Salt Lake County Recorder, State of Utah.

First Parcel Number: 22044050560000