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SANPETE COUNTY CORPORATION  
For: H V P O A

**BY-LAWS**

**OF THE  
HIDEAWAY VALLEY  
PROPERTY OWNERS ASSOCIATION, INC.  
A UTAH NON-PROFIT CORPORATION**

Hideaway Valley

**AS AMENDED AND RESTATED, APRIL 25, 2009**

By a majority vote, of 101 votes for and 43 votes against, by duly executed Mail-in Ballot, mailed to each Member by first class mail to the address of record in the Association books, and counted on May 16, 2009, the By-laws of the Hideaway Valley Property Owners Association, Inc. are Amended and Restated for Hideaway Valley Plat A lots 1-58, Plat B lots 1-97, Plat C lots 201-377, Plat D lots 378-462 and lot 421-A, and Plat E lots 463-496, to read as follows:

**ARTICLE I  
INTRODUCTION**

**Section 1.1: Seniority of Laws, Articles, By-laws, and Resolutions**

The governing law relevant to the conduct of this corporation, hereinafter "Association", shall be, in order of precedence, the laws of the United States, the laws of the State of Utah, the Plats, the Hideaway Valley Declarations of Protective Covenants, the Articles of Incorporation, the By-laws, and the corporate resolutions.

If there is any inconsistency between these controlling bodies of law, such inconsistency is to be resolved in favor of the senior body of law and the junior bodies of law are deemed automatically amended. The Trustees and members of the Association shall make every effort to generally amend the junior bodies of law within their jurisdiction of law whenever necessary, so that inconsistencies will be corrected. However, whether or not these inconsistencies are corrected, the senior body of law will still prevail until such correction is made.

**Section 1.2: Explanation of the Types and Conduction of Meetings of the Hideaway Valley Property Owners Association**

This Section is intended to introduce members to the two types of meetings held by the Association, to clarify their purposes, and to describe how they are conducted. The Hideaway Valley Property Owners' Association holds two types of meetings: Meetings of the Members, and Meetings of the Board of Trustees:

**Meetings of the Members:** Meetings of the Members are open to all members and are generally intended to inform the members, hear member concerns and suggestions, hold discussion with the members, and to have the members vote on various measures. Such measures must be properly noticed so that members are aware of each specific measure. The different types of Meetings of the Members are described in Article II, "Members", below.

**Meetings of the Board of Trustees:** Meetings of the Board of Trustees are intended to provide the Trustees the opportunity to conduct Association business. The Meetings of the Board of Trustees shall be open to all members to attend, except for Executive Sessions as described in Section 3.5, "Executive Sessions". Voting at a Meeting of the Board of Trustees is intended for the Trustees only, not the membership, and thus, member participation is limited. When a measure requires a vote of the membership, such vote shall take place at a duly Noticed Meeting of the Members. The different types of Meetings of the Board of Trustees are described in Article III, "Trustees", below.

Approval by the Board of Trustees:  
Approved By: [Signature] Date: 8/18/09 Approved By: [Signature] Date: 9/18/09  
Approved By: \_\_\_\_\_ Date: \_\_\_\_\_ Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

Meeting Conduct Issues: Meetings are conducted reasonably in accordance with the abbreviated version of Robert's Rules of Order. Recording devices are not permitted at any Meeting of the Members or Meeting of the Board of Trustees, except in accordance with Section 4.5, "Secretary".

**ARTICLE II  
MEMBERS**

**Section 2.1: Responsibilities of the Members**

As described in the Declarations of Protective Covenants, Article IV, "The Association", persons or entities purchasing property in the Hideaway Valley Subdivision become members of the Hideaway Valley Property Owners Association, Inc., a Utah non-profit corporation, hereinafter the "Association". Each such member, in accordance with the Declarations of Protective Covenants, shall be deemed to covenant and agree with each other, and with the Association, to abide by the provisions of the governing documents.

**Section 2.2: Annual Meeting of the Members**

The Annual Meeting of the Members shall be held on or about the third Saturday in April of each year, at such place as shall be stated in the Notice of Meeting, or in a duly executed Waiver of Notice. The purpose of the Annual Meeting of the Members is to approve a proposed annual budget, vote on other duly noticed measures, and to elect new Trustees, as necessary.

**Section 2.3: Regularly Scheduled Meetings of the Members**

Regularly Scheduled Meetings of the Members shall be held not more than once a month and not less than annually (the Annual Meeting of the Members). The times and dates shall be set by resolution of the Board of Trustees, but the frequency shall be determined by a vote of the members at a Meeting of the Members.

**Section 2.4: Special Meetings of the Members**

Special Meetings of the Members may be called either ...

- a. by a resolution of the Board of Trustees, or
- b. by a petition of any number of members whose combined voting rights shall not be less than one tenth (1/10) of the membership of the Association. When such call is made, such petition shall be delivered to the Board of Trustees by certified first class mail directed to the United States postal mailing address of the Association at the principal business address of the Corporation on record with the Utah Department of Corporations. The Board of Trustees shall address the matter as an agenda item for, and shall call, a Special Meeting of the Members. The Special Meeting of the Members shall take place within thirty (30) days after the Board of Trustees has received the petition. The Board of Trustees shall not unreasonably refuse to receive such certified mailing, and shall cooperate with the petitioners by calling the Special Meeting of the Members in a timely manner.

A Special Meeting of the Members called as described above shall be noticed in accordance with Section 2.5, "Notice of Meetings of the Members", below. The Board of Trustees shall provide such Notice promptly, and at the expense of the Association.

**Section 2.5: Notice of Meetings of the Members**

Notice of all Annual, Regularly Scheduled, and Special Meetings of the Members shall be given in accordance with the Statutes of the State of Utah, and approximately twenty-one (21) days, but not less than ten (10) days, prior to the meeting, except as expressly provided elsewhere in these By-laws. Notice shall be considered given on the date of postmark of a written Notice mailed by first class mail, U.S. postage prepaid, to a member's address most recently provided to the Association.

Approval by the Board of Trustees

Approved By: <u>[Signature]</u>	Date: <u>8/18/09</u>	Approved By: <u>[Signature]</u>	Date: <u>8/18/09</u>	165210	Bk. 0598	Pg. 1538
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**Section 2.6: Presiding Officer**

The President of the Association, or in the absence of the President, the Vice-President or another Trustee who shall be designated by the Board shall preside over each Annual, Regularly Scheduled, or Special Meeting of the Members. The Secretary of the Association, or in the absence of the Secretary, a Trustee designated by the Board of Trustees, shall be the recording secretary for the meeting. See Article IV, "Officers".

**Section 2.7: Voting Rights and Voting at Meetings of the Members**

The content of this Section is intended to comply with the requirements of the relevant Statutes of the State of Utah.

Definition of "Voting Member": A Voting Member is defined as a property owner whose name, United States postal mailing address, and lot number(s) appear on the ownership records of the Association thirty (30) days prior to any Meeting of the Members.

In the case of a property owner who is a legal entity rather than a real person, a real person must be designated by the authority of the legal entity, in a written and notarized document delivered to the Board of Trustees, stating that such person has been authorized to vote on behalf of the legal entity. Such real person shall be considered a Voting Member.

In the case of a property owner who chooses to designate an agent to vote on his or her behalf, a real person must be designated by the property owner, in a written notarized power of attorney, or other such notarized document, establishing that the person has been authorized to vote on behalf of the lot owner. Such real person shall be considered a Voting Member.

However, if a new property owner's name, or a new designated person's name, does not appear on the ownership records of the Association thirty (30) days prior to any Meeting of the Members, the new property owner or new designated person shall be considered a Voting Member, and therefore both qualified and entitled to vote, provided that he or she delivers the following information to the Board of Trustees no later than 72 hours prior to the meeting.

1. The property owner's name, United States postal mailing address, and lot number(s) for entry into the books of the Association.
2. Proof of ownership in the form of a certified copy of a Sanpete County recorded document that establishes his or her ownership.
3. If applicable, a written notarized power of attorney, or other such notarized document, establishing that the person has been authorized to vote on behalf of the lot owner.

In such cases, the Notice of Meeting requirement is deemed waived.

Any change in the designation of Voting Member associated with any lot shall be made no later than 72 hours prior to any meeting.

Voting Rights: Only Voting Members shall be entitled to vote at any Annual, Regularly Scheduled, or Special Meeting of the Members for the election of Trustees, for the proposed annual budget, and for any other duly Noticed measures brought before such a meeting. Voting Members are entitled to one vote per lot owned. If more than one person has an ownership interest in a lot, only one vote is allowed.

Candidacy: Only Voting Members shall be entitled to run for election as a Trustee, subject to the requirements of Section 3.9, "Number and Eligibility of Trustees". In order to provide for a broad representation of lot ownership, candidacy is limited to one candidate per entity, meaning that only one candidate shall be accepted per lot ownership, as explained by the following examples. Example 1: If a corporation owns two or more lots, only one candidate may be nominated, while the corporation retains all voting rights. Example 2: If a husband and wife own one lot, only the Voting Member may be nominated. Example 3: If a husband and wife own two or more lots, and the lots are titled the same, only the Voting Member may be nominated. Example 4: If a husband and wife, or any other entity, own two or more lots, and the lots are titled

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differently, it is possible that each lot may have a different Voting Member, and each different Voting Member may be nominated to run for the position of Trustee.

Quorum: At any Annual, Regularly Scheduled, or Special Meeting of the Members, the members present in person, represented by Mail-in Ballot, or represented by proxy at such meeting shall constitute a quorum. Such quorum shall decide, by a vote of the majority of the quorum, any duly Noticed measure brought before such meeting, including the election of Trustees. The majority of such quorum shall decide all such Noticed measures, unless a different vote is required by express provision of the Statutes of the State of Utah or the governing documents of Hideaway Valley, in which case such express provision shall govern and control the decision of such question.

**Section 2.8: Mail-in Ballots**

In conjunction with any Annual, Regularly Scheduled, or Special Meeting of the Members, or in lieu of any such Meeting of the Members, the Trustees shall provide Mail-in Ballots to solicit members' votes on measures where a vote is required by the governing documents or the Statutes of the State of Utah. Any Mail-in Ballot shall comply with the Statutes of the State of Utah (specifically Utah Code 16-6a-709). The Board of Trustees shall mail the Mail-in Ballots to the members of the Association by first class mail to the address of record in the Association books, as referenced in the Declarations of Protective Covenants, Section 8.2, "Registration of Mailing Address", approximately twenty-one (21) days, but not less than ten (10) days, in advance of any such meeting or ballot counting deadline.

- a. Mail-in Ballots used in conjunction with a Meeting of the Members: When such Mail-in Ballots are received in accordance with the instructions and deadline specified on the Mail-in Ballot, they shall be counted equally with the votes of members in attendance at any such Meeting of the Members.
- b. Mail-in Ballots used in lieu of a Meeting of the Members: When such Mail-in Ballots are received in accordance with the instructions and deadline specified on the Mail-in Ballot, they shall be counted at a Meeting of the Trustees.

The procedure to change a vote on a Mail-in Ballot shall be to send a second Mail-in Ballot with the word "Correction", along with the date of the change, on the outside of the envelope, and at the top of the Mail-in Ballot. When such changed Mail-in Ballots are received in accordance with the instructions and deadline specified in the Mail-in Ballot, they shall be counted in place of the original.

**Section 2.9: Proxies**

Voting Members are encouraged to be aware of and personally involved in deciding the issues of the Association by attending and participating in the Meetings of the Members, or when this is not possible, by Mail-in Ballot indicating their vote on the specific issues to be decided by a vote of the membership. However, at any Meeting of the Members, any Voting Member of the Association may be represented and vote by proxy. To be valid, all proxies shall be in writing, properly signed and delivered, and compliant with the Statutes of the State of Utah.

All proxies shall be valid for the next scheduled vote of the membership following the date when the proxy is granted, and shall then expire at the adjournment of that Meeting of the Members. Each proxy shall be revocable as set forth in Section 2.10, "Hierarchy of Member Voting Methods", and in the Statutes of the State of Utah.

Procedure to make a valid proxy appointment: A Voting Member may appoint a proxy by filling out a Proxy Appointment Form. In order to be valid, the Proxy Appointment Form must be signed by the Voting Member granting the proxy. The form must then be delivered to both (1) the proxy holder and (2) the President, the Secretary, or any Trustee of the Association by any means allowed by the Statutes of the State of Utah. Such means include facsimile transmission or email attachment (i.e., attached image file displaying the physical signature of the Voting Member) directed to the President, the Secretary, or any Trustee of the Association; or first class mail directed to the United States postal mailing address of the Association at the principal business address of the Corporation on record with the Utah Department of Corporations.

**Section 2.10: Hierarchy of Member Voting Methods**

When counting member votes, the hierarchy is:

1. Voting in person overrides a Mail-in Ballot or a proxy.
2. Voting by Mail-in Ballot overrides a proxy, even if the proxy post-dates the Mail-in Ballot.

Note: A Mail-in Ballot may be changed by a member in accordance with Section 2.8, "Mail-in Ballots", above.

**Section 2.11: Informalities and Irregularities**

All informalities or irregularities in any call or Notice of a meeting, or in the areas of credentials, proxies, quorums, voting and similar matters, will be deemed waived if no objection is made at the meeting, or made in writing within seven (7) days thereafter. When making an objection, the complainant must advise the Board of Trustees in writing of the specific negative consequences of the informality or irregularity on the outcome of a vote or other action. If the outcome of a vote or other action may reasonably have been affected, then the informality or irregularity shall be investigated and corrective action taken; otherwise, the objection shall be deemed insignificant and no action shall be taken.

**ARTICLE III  
TRUSTEES**

**Section 3.1: Responsibilities of the Trustees**

The Board of Trustees is the official governing body of the Association and operates in accordance with the governing documents, and in accordance with a member-approved budget, to manage the current business, property and affairs of the Association. The Board shall facilitate members' decisions on matters that affect long-term results and/or members' rights, obligations, benefits, assessments and unfunded liabilities.

The Board of Trustees is responsible to keep minutes of all Meetings of the Members and Meetings of the Board of Trustees.

Whenever the Board of Trustees considers matters associated with interpretation or compliance with the governing documents of the Association, it shall do so in accordance with approved interpretive resolutions. An approved interpretive resolution is an interpretation of a matter described in the governing documents made by resolution of the Board of Trustees, reviewed by legal counsel, and approved by the majority vote of the members represented in person, by proxy, or Mail-in Ballot at a Meeting of the Members. Such interpretive resolutions shall be made available to the members, and assembled from time to time, along with the governing documents, into a guidance resource for members of the Association.

Whenever the Board of Trustees considers matters outside of the member-approved budget, the Board shall inform the members in a written Notice proposing a revision to the budget, in accordance with Section 5.2, "Fiscal Year, Budget, and Assessments", addressing the matter under consideration. Such Notice shall disclose the potential risks involved, if known, and shall request members' comments and discussion before proceeding with a membership vote on the proposed revised budget. If such matter is expressly required to be voted on by the Statutes of the State of Utah, the matter shall be duly Noticed as described in Article II, "Members".

As required by the Articles of Incorporation, Article III, "Purposes", the Board shall be responsible for, and required to, enforce the governing documents of the Association, namely the Declarations of Protective Covenants, the Articles of Incorporation, the By-laws, and the corporate resolutions, including the approved interpretive resolutions. The Board of Trustees shall inform a member who is in violation of the governing documents by means of a Notice of Violation, followed by appropriate legal action.

Approval by the Board of Trustees  
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The Board of Trustees may neither amend the Declaration of Protective Covenants or the Articles of Incorporation, nor terminate the Association as a "Common Interest Community", unless authorized and approved by the affirmative vote of at least the majority of all the members of the Association.

**Retention of Association Records:** Retention of all records shall be six (6) years, or such time that satisfies the requirements of the laws of the United States and the State of Utah.

**Inspection of Association Records:** Upon proper written request addressed to the President, any member shall have the right to inspect all records of the Association. The Treasurer, or any Officer appointed by the President, shall have the right to be present during any such inspection. The requesting member is required to pay a reasonable fee for hard copies of records.

**Section 3.2: Meetings of the Board of Trustees**

As used in this Article III, "Trustees", the word "meeting" means the convening of a quorum of members of the Board of Trustees that has been duly Noticed to the Members, where Association business may be conducted, and where the Trustees may vote on agenda items. Meetings of the Board of Trustees shall be open to members as described in Section 1.2, "Explanation of the Types and Conduction of Meetings of the Hideaway Valley Property Owners Association".

The word "Meeting" does not mean any chance or social gathering of Trustees. A chance or social gathering of Trustees may not be used to circumvent the provisions of these Bylaws. The word "Meeting" does not include a gathering of less than a quorum of the Trustees, since no voting can take place, since no funds can be appropriated, and since no other formal action can be considered. If a quorum of Trustees is assembled at a gathering that has not been noticed to the members of the Association as a Meeting of the Board of Trustees, in accordance with Section 3.7, "Notice to the Association Members of Meetings of the Board of Trustees", the Trustees shall not discuss Association business.

**Section 3.3: Annual Meeting of the Board of Trustees**

The Annual Meeting of the Board of Trustees may be held after the adjournment of each Annual Meeting of the Members.

**Section 3.4: Regular Meetings of the Board of Trustees**

Regular Meetings of the Board of Trustees shall be held at such times, and at such places, as the Board of Trustees may provide by resolution from time to time.

**Section 3.5: Executive Sessions**

An Executive Session of the Board of Trustees may be a portion of a Noticed Meeting of the Board of Trustees in which the Board may consider sensitive matters as described below: During an Executive Session, no motion may be made and no vote may be taken. The minutes of Executive Sessions are intended to record only the subjects discussed, and not the specific content of the discussion. The call for an Executive Session shall be made as a motion to conduct an Executive Session approved by a majority of the Trustees in a Noticed Meeting of the Board of Trustees. The Board of Trustees is required to disclose the subject matter to be discussed; however, any action contemplated as a result of an Executive Session shall be taken at an open Meeting of the Board of Trustees.

At the discretion of the Board of Trustees, the following matters may be considered in a private, closed Executive Session:

1. Consultation with legal counsel concerning the rights and duties of the Board of Trustees regarding existing or potential litigation, or criminal matters;
2. Collection of unpaid assessments;
3. Negotiation of contracts with third parties;
4. Disciplinary matters involving contractors;
5. Personnel matters and employee discipline.

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- 6. Personal matters.
- 7. Reimbursement of personal expenses.
- 8. Informational workshops and training for Trustees.

**Section 3.6: Emergency Actions by the Board of Trustees**

In the event of an emergency, the Board of Trustees is authorized to carry out emergency actions, which shall be communicated to the members of the Association in a Meeting of the Members as soon as practicable. The Board shall be indemnified from any recriminations for taking emergency actions.

**Section 3.7: Notice to the Association Members of Meetings of the Board of Trustees**

The Annual Meeting of the Board of Trustees is deemed Noticed to members by the Notice of the Annual Meeting of the Members.

Members shall be notified of other Meetings of the Board of Trustees at least forty eight (48) hours before the meeting by posting a Notice on the bulletin board, and, if available, by posting on the web site owned and operated by the Association.

**Section 3.8: Voting Rights, Proxies, and Voting by Trustees**

Trustees shall have one vote per Trustee.

A Trustee may be considered to be present at a meeting and entitled to vote if he or she has granted a signed written proxy to another Trustee who is present at the meeting, authorizing them to cast a vote that is directed to a particular proposal that is described with reasonable specificity in the proxy. Said proxy can be delivered to the Board of Trustees by hand delivery, mail, email, or by facsimile transmission before said meeting.

Trustees may vote by speakerphone or other similar electronic two-way communication when necessary, after reviewing the facts associated with a Noticed Agenda item. A Trustee participating in a meeting by this means is deemed present in person at the meeting.

**Section 3.9: Number and Eligibility of Trustees**

As described in the Articles of Incorporation, Article IV, "Trustees", the Board of Trustees, shall consist of a specified number of Trustees serving defined and staggered terms. In order to be elected Trustee, a nominee must be a voting member of the Association as defined in Section 2.7 "Voting Rights and Voting at Meetings of the Members". In addition, a nominee must be current on his or her assessments before the election and, if elected, during their entire term of office. If a Trustee becomes more than 30 days in arrears, and does not bring the account current within 30 days of notice of delinquency from the Treasurer, the Trustee shall be considered to have resigned, and the Board of Trustees may appoint a replacement Trustee in accordance with other provisions of these By-Laws.

**Section 3.10: Election and Removal of Trustees**

The Trustees shall be elected by a majority of the voting members present in person, represented by Mail-in Ballot, or represented by proxy at the Annual Meeting of the Members, or at any Noticed Meeting of the Members when election of a Trustee has been noticed. During nominations, the members shall be entitled to make oral or written presentations as to the qualifications of a particular nominee for Trustee.

A vacancy in the Board of Trustees, or a decision to remove or retain a Trustee, shall be addressed as an agenda item in a Meeting of the Members. Vacancies are filled by election by the members. The decision to remove or retain a Trustee shall be made by the majority vote of the members represented in person, by proxy, or Mail-in Ballot. These actions may be accomplished in accordance with Section 2.3, "Regularly Scheduled Meetings of the Members", Section 2.4, "Special Meetings of the Members", and Section 2.8, "Mail-in Ballots", by using an Annual or a Regular Meeting of the Members, by calling a Special Meeting of the Members, or by using a Mail-in Ballot in lieu of a meeting.

Approval by the Board of Trustees  
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- a. Meeting called by the Board of Trustees: When such call to fill a vacancy or remove a Trustee is made by resolution of the Board of Trustees, Notice shall be approximately twenty-one (21) days, but not less than ten (10) days, prior to the meeting, or otherwise in compliance with the Statutes of the State of Utah.
- b. Meeting called by the Members of the Association: When such call to fill a vacancy or remove a Trustee is made by any number of members whose combined voting rights shall not be less than one tenth (1/10) of the membership of the Association, such petition shall be delivered and processed as a "Special Meeting of the Members" as described in Section 2.4, "Special Meetings of the Members", above. When such call is made by such means, Notice shall be approximately twenty-one (21) days, but not less than ten (10) days, prior to the meeting, or otherwise in compliance with the Statutes of the State of Utah.

A Trustee who is subject to a "decision to remove or retain" shall have a right to submit a refutation no later than three days prior to the mailing of the Notice of meeting, which shall be included in such Notice.

**Section 3.11: Quorum**

A quorum, which consists of a majority of the Trustees then in office, is required for the transaction of business at any Meeting of the Board of Trustees.

**Section 3.12: Committees of the Board of Trustees**

**Covenants Committee:** As required by the Declarations of Protective Covenants, Article VII, "Provisions Applicable for All Property", the Board of Trustees, as the official governing body of the Association, shall appoint a Covenants Committee from among the Trustees. The Covenants Committee shall consist of three (3) to five (5) members, each of whom shall be an elected Trustee. The Covenants Committee shall be responsible for making enforcement recommendations for alleged violations to the full Board of Trustees based on the requirements of the Declarations of Protective Covenants, Article VII, "Provisions Applicable for All Property". Such recommendations shall be based on approved interpretive resolutions, as described in Section 3.1, "Responsibilities of the Trustees".

**Architectural Committee:** As required by the Declarations of Protective Covenants, Article X, "Other", the Board of Trustees, as the official governing body of the Association, shall appoint an Architectural Committee from among the Trustees. The Architectural Committee shall consist of three (3) to five (5) members, each of whom shall be an elected Trustee. The Architectural Committee shall be responsible for making approval recommendations for architectural plans submitted by members. The Architectural Committee shall also be responsible for making enforcement recommendations for alleged architectural violations to the full Board of Trustees based on the requirements of the governing documents. Such recommendations shall be based on approved interpretive resolutions, as described in Section 3.1, "Responsibilities of the Trustees".

**Committees Composed of Members of the Association:** The Board of Trustees may, by resolution, designate one or more committees and appoint members of such committee(s) by majority vote of the Board of Trustees. Each committee shall consist of three or more members of the Association, which shall have and may exercise the powers and duties set forth by the Board. The Board may appoint persons to fill vacancies on each of said committees, or remove a committee member for any reason deemed appropriate by the Board of Trustees.

A committee member must be current on assessments.

The Board of Trustees may dissolve a committee of the Board composed of the members at anytime, for any reason, as deemed necessary.

**Section 3.13: Reimbursement**

Trustees shall not receive any salary, compensation, gift, or any other monetary gain for their services. They may receive reimbursement for actual expenses incurred on behalf of the Association, including but not limited to office

Approval by the Board of Trustees

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expenses and travel expenses, as authorized by specific vote of the Board of Trustees prior to incurring the expense. Travel expenses do not include travel to, or from, Meetings of the Board of Trustees, or Meetings of the Members.

**Section 3.14: Rules and Regulations**

The Board of Trustees may from time to time propose Rules and Regulations by which the Association shall be governed. Such Rules and Regulations shall be adopted by the affirmative vote of a majority of the members represented in person, by Mail-in Ballot, or by proxy at any Annual, Regularly Scheduled or Special Meeting of the Members, except as noted below.

Rules and Regulations taken directly from the Declarations of Protective Covenants, Articles of Incorporation, and By-laws do not need to be approved by the vote of the members except when such Rules and Regulations are subject to interpretation, as described in Section 3.1, "Responsibilities of the Trustees".

**Section 3.15: Conflict of Interest**

Trustees shall disclose any personal conflict of interest in any matter related to the business or operations of the Association. Any Trustee with a conflict of interests shall immediately disclose it and withdraw from voting.

**ARTICLE IV  
OFFICERS**

**Section 4.1: Definition of Officer**

An Officer is a Trustee who has been elected to perform the duties and functions of President, Vice President, Secretary, or Treasurer, as described below. Officers are elected from among the Trustees as described in Section 4.7, "Election and Removal of Officers Within the Board of Trustees", below. All Offices must be filled regardless of the number of Trustees on the Board of Trustees at any time.

**Section 4.2: Responsibilities of the Officers**

Only those Trustees who are also elected as Officers have the authority to sign a legal instrument on behalf of the Hideaway Valley Property Owners Association, Inc. When performing any release of funds or signing a legal instrument, the signatures of not less than two Officers shall be required, including the President when available, and in his or her absence, the Vice President, and the Secretary. See Sections 4.3, "President", and 4.4, "Vice President". Examples of legal instruments include, but are not limited to, checks, bank accounts, and contracts.

**Section 4.3: President**

The President of the Association shall exercise general supervision over its property and affairs. He or she shall preside, whenever possible, at all Meetings of the Board of Trustees or Meetings of the Members. He or she shall sign on behalf of the Association all contracts and shall do and perform all acts and things, which the Board of Trustees and members of the Association may require of him/her. The President, or a substitute appointed by him or her, shall be invited to attend meetings of each Committee of the Board composed of members of the Association.

In order to establish and maintain continuity, the President may keep the remaining Trustees informed and trained to succeed him or her when the Presidential term expires.

**Section 4.4: Vice President**

In the event of the President's absence or inability to act, the Vice President shall perform the duties of the President.

Approval by the Board of Trustees

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**Section 4.5: Secretary**

The Secretary shall take and keep the minutes of the Association, including both Meetings of the Members and Meetings of the Board of Trustees. He or she shall also keep its membership books and such books and records as the By-laws or any resolution of the Trustees may require him or her to keep. He or she shall perform such other services as the Board of Trustees may require of him/her.

The Secretary may use a recording device to facilitate capturing information for the minutes of the meeting. After the minutes of meeting have been written and approved by the signatures of the Trustees, but no sooner than after the next Board of Trustees meeting, the recordings, including any copies or transcriptions, shall be immediately destroyed.

**Section 4.6: Treasurer**

The Treasurer shall oversee the funds of the Association, subject to the action of the Board of Trustees and shall, when requested by the President to do so, report the state of the finances of the Association at each Annual Meeting of the Members, or at any Meeting of the Board of Trustees, or Meeting of the Members. He or she shall perform such other services as the Board of Trustees may require of him or her.

**Section 4.7: Election and Removal of Officers Within the Board of Trustees**

**Election of Officers:** As necessary from time to time, the Trustees shall elect Officers from among themselves to perform the functions of President, Vice President, Secretary, and Treasurer, by the affirmative vote of the majority of the Board of Trustees.

**Removal of Officers for Cause:** Any Officer may be removed from office by the affirmative vote of the majority of the Board of Trustees for any of the following causes:

1. Failure to attend three or more Meetings of the Board of Trustees in a row.
2. Failure to disclose a conflict of interest and/or failure to withdraw from voting on matters associated with a conflict of interest, whether or not disclosed.
3. Failure to pay assessments on time.
4. Mishandling or misappropriation of Association funds or properties.
5. Illegal, unethical, or immoral conduct unbecoming the standards expected of a public official.

Removal from office means that the Trustee shall be relieved of the duties of any office to which the Board of Trustees had elected him or her; the person, however, remains a Trustee. In the case of such removal from office, the Board of Trustees shall demand the immediate return to the control of the Board of Trustees any and all records, checkbooks, or other assets associated with the office from which the Trustee has been removed. The Trustee shall immediately comply with such demand. On the next business day or as soon thereafter as practical, the Board of Trustees, shall notify any affected contractors or financial institutions that the Trustee has been removed from office, and shall remove that Trustee from the list of authorized signatories on all bank accounts, contracts, or other legal instruments.

A Trustee who has been removed from office may be subject to removal as a Trustee in accordance with Section 3.11, "Election and Removal of Trustees".

**ARTICLE V  
FINANCES**

**Section 5.1: Statement of Business**

The Board of Trustees shall present a full and complete statement of the business and financial condition of the Association at each Annual Meeting of the Members; and when called for by the affirmative vote of a majority of the members represented in person, by Mail-in Ballot, or by proxy at any Meeting of the Members.

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Approval by the Board of Trustees  
 Approved By: [Signature] Date: 8/18/09 Approved By: [Signature] Date: 8/18/09 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_ Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

**Section 5.2: Fiscal Year, Budget, and Assessments**

**Fiscal Year:** The Association shall operate on a fiscal year beginning May 1 and ending April 30.

**Budget:** Each year, sufficiently prior to the March 1 Notice described below for the amount of annual assessment, the Board of Trustees shall submit a proposed budget for the estimated expenses of the Association to the members for their approval. Approximately twenty-one (21) days, but not less than ten (10) days, prior to a Meeting of the Members, the Board of Trustees shall provide a meeting Notice and a detailed summary of the budget to all the members for their subsequent vote. The Board of Trustees shall adopt the budget when the majority vote of the members present in person, represented by Mail-in Ballot, or represented by proxy at such meeting is in the affirmative.

When the budget includes monies for outside services, such services shall be disclosed in the budget as individual budget line items. Any monies estimated to compensate for the failure of any owner or owners to pay his or her assessment shall be disclosed collectively as a budget line item.

In the event the proposed budget is rejected by the members, the periodic budget last approved by the members shall be continued until such time as the members approve a subsequent proposed budget as described above.

**Assessments:** The Association shall be funded by collection of assessments from each lot owner. The assessment amount due for each lot shall be determined by apportioning the budget among all lot owners in proportion to their respective interests, meaning the number of lots owned.

The Association shall give written notice to each owner as to the amount of the annual assessment with respect to his or her lot(s) on or before March 1 of each year for the fiscal year commencing on May 1. Such notice shall be considered given on the date of postmark of a written notice mailed, U.S. postage prepaid, to a member's address most recently provided to the Association.

Once members have been notified of the amount of the assessment, such assessment shall be due and payable in fiscal quarterly installments on or before May 1, August 1, November 1, and February 1 of that fiscal year.

**Clarification of Fiscal Year Quarters and Quarterly Assessment Payment Due Dates:**

Quarter	Beginning and Ending Dates of Fiscal Quarter	Notice of Amount of Annual Assessment	Due Date for Payment of Quarterly Installment
First	May 1 to July 31	March 1	May 1
Second	August 1 to October 31	March 1	August 1
Third	November 1 to January 31	March 1	November 1
Fourth	February 1 to April 30	March 1	February 1

**Section 5.3: Indebtedness of the Association**

The Association, acting through the Board of Trustees, shall not borrow funds for any purpose. In the event of a budget shortfall, the Board of Trustees may call a Meeting of the Members for consideration of a proposed supplemental budget. If approved by the affirmative vote of at least the majority of all the members of the Association represented in person or by Mail-in Ballot, the supplemental budget may result in a supplemental assessment.

**Section 5.4: Management of Member Accounts**

Each member account shall be treated equally with regards to monies due to the Association. If an adjustment is made for any account, the same adjustment shall be made for all accounts with similar circumstances. There shall be no preferential treatment given to accounts concerning collections, discounts of assessments, interest charged, or

Approval by the Board of Trustees  
 Approved By: [Signature] Date: 07/18/06 Approved By: [Signature] Date: 9/1/06 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_ Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

penalties regarding monies owed to the Association. The Board of Trustees, however, may offer a discount of assessment for early annual payment in full.

**Section 5.5: Interest, Liens, and Penalties**

**Interest:** Quarterly assessments and other monies owed to the Association shall bear interest from the date when they become due and payable. Such interest shall be at 10 percent (10%) per annum.

**Liens:** Any member who shall have been duly notified in writing of his or her arrears status by registered letter from the Board of Trustees shall be subject to the filing of a lien by the Association as provided by the Statutes of the State of Utah. Such lien shall be filed against the property owner for the purpose of collecting all lawful assessments and expenses. In addition to the amounts owed, delinquent members shall be required to pay reasonable costs of collection, including attorney fees and filing fees, and such other amounts allowed by law.

**Penalties:** Hideaway Valley Property Owners Association Inc. may assess fines for violations of the Declarations of Protective Covenants. A late fee of fifteen dollars (\$15.00), or otherwise determined by resolution of the Board of Trustees, shall be applied to any late payment. The Board of Trustees shall adopt by resolution a schedule of fines with a late fee for the assessments. Other penalties, including but not limited to penalties, fines, attorney fees, liens, and/or foreclosures, shall be applied in accordance with the Statutes of the State of Utah. Penalties and other legal matters are generally as described below, or are as described in the then-current Statutes of the State of Utah.

The remainder of this Section is taken from the Statutes of the State of Utah in effect on March 28, 2009, and is included in these By-laws on the advice of legal counsel.

**Subsection - Assessment of Penalties, Fines, and Attorney Fees:**

- (1) The association may recover all expenses incurred by the association in collecting an unpaid assessment, including reasonable attorney fees.
- (2)
  - (a) The association may maintain an action to recover a money judgment for an unpaid assessment without foreclosing or waiving the lien securing the unpaid assessment.
  - (b) The prevailing party in an action described above may recover:
    - (i) costs; and
    - (ii) reasonable attorney fees.

**Subsection - Unpaid Assessment, Lien, and Foreclosure:**

- (1)
  - (a) If an owner fails or refuses to pay an assessment when due, that amount constitutes a lien on the interest of the owner in the property.
  - (b) Upon the recording of notice of lien by the manager or board of directors or their duly appointed agent, a lien described in Subsection (1)(a) is a lien on the unit owner's interest in the property prior to all other liens and encumbrances, recorded or unrecorded, except:
    - (i) Tax and special assessment liens on the unit in favor of any assessing lot or special improvement district; and
    - (ii) Encumbrances on the interest of the lot owner:
      - (A) Recorded prior to the date of the recording of notice of lien described in Subsection (1)(b); and
      - (B) that by law would be a lien prior to subsequently recorded encumbrances.
- (2)
  - (a) The manager or board of directors may enforce a lien described in Subsection (1) by sale or foreclosure of the owner's interest.
  - (b) The sale or foreclosure described in Subsection (2)(a) shall be conducted in the same manner as foreclosures in:
    - (i) Mortgages; or

Approval by the Board of Trustees  
Approved By: [Signature] Date: 8/19/09  
Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

Approved By: [Signature] Date: 8/19/09  
Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

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- (ii) Any other manner permitted by law.
- (3) In a sale or foreclosure described in Subsection (2)(a), the owner shall pay:
  - (a) The costs and expenses of the proceedings; and
  - (b) Reasonable attorney fees.
- (4) Unless otherwise provided in the declaration, the manager or board of directors may:
  - (a) Bid at a sale or foreclosure described in Subsection (2)(a); and
  - (b) Hold, lease, mortgage, or convey the lot that is subject to the lien.

Subsection - Fines:

- (1) Unless otherwise provided in the Association's governing documents, the Board of Trustees may assess a fine against a lot owner for a violation of the association's governing documents after the requirements of Subsection (2) are met.
- (2) Before assessing a fine under Subsection (1), the board shall:
  - (a) Notify the lot owner of the violation; and
  - (b) Inform the owner that a fine will be imposed if the violation is not remedied within the time provided in the association's governing documents, which shall be at least 48 hours.
- (3)
  - (a) A fine assessed under Subsection (1) shall:
    - (i) Be made only for a violation of a rule, covenant, condition, or restriction that is specifically listed in the association's governing documents;
    - (ii) Be in the amount specifically provided for in the association's governing documents for that specific type of violation or in an amount commensurate with the nature of the violation; and
    - (iii) Accrue interest and late fees as provided in the association's governing documents.
  - (b) Unpaid fines may be collected as an unpaid assessment as set forth in the association's governing documents or in this chapter.
- (4)
  - (a) A lot owner who is assessed a fine under Subsection (1) may request an informal hearing to protest or dispute the fine within 14 days from the date the fine is assessed.
  - (b) A hearing requested under Subsection (4)(a) shall be conducted in accordance with standards provided in the association's governing documents.
  - (c) No interest or late fees may accrue until after the hearing has been conducted and a final decision has been rendered.
- (5) All fines shall be set forth in a schedule of fees which has been approved by a quorum of members at a duly Noticed meeting.
  - (a) The Board of Trustees or manager may not arbitrarily set a fine amount.
  - (b) The schedule of fees may include a fee or fees for an ongoing violation on a monthly basis.

**ARTICLE VI  
AMENDMENTS**

**Section 6.1: Amendments to the Bylaws**

The By-laws may be altered or repealed by the affirmative vote of a majority of the members represented in person, by Mail-in Ballot, or by proxy at any Annual, Regularly Scheduled or Special Meeting of the Members; or by Mail-in Ballot in lieu of a Special Meeting provided that notification of the proposed alteration or repeal is contained in the Notice.

Approval by the Board of Trustees  
Approved By: [Signature] Date: 8/18/09  
Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

Approved By: [Signature] Date: 8/18/09  
Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

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Approved By: \_\_\_\_\_ Date: \_\_\_\_\_



HIDEAWAY VALLEY  
PROPERTY OWNERS ASSOCIATION, INC.

Parcel I.D. Numbers  
Plate A, B, C, D & E 40001 through 40451  
Plus 40156X & 40376X