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**RICHARD T. MAUGHAN**

**DAVIS COUNTY, UTAH RECORDER**

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**REC'D FOR SHAELA PARK HOME**

**OWNERS ASSOC**

**BYLAWS OF SHAELA PARK, PUD OF CENTERVILLE, UTAH  
HOMEOWNERS ASSOCIATION, INC.**

*See Exhibit A, attached. Legal Description.*

**1. Bylaw Applicability/Definitions**

**a. Purpose**

These Bylaws are adopted for the regulation and management of the affairs of Shaela Park, PUD of Centerville, Homeowners Association, Inc., a Utah nonprofit corporation (the "Association"), organized to be the Association to which reference is made in the Amended and Restated Declaration of Covenants, Conditions, and Restrictions of Shaela Park, P.U.D., (the Declaration), and recorded on November 22, 2013, in the Davis County Recorder's Office as Entry No. 2778189, and as amended or supplemented from time to time to perform the functions as provided in the Declaration and to further the interests of Owners of Units within the Development.

**b. Bylaw Applicability**

The provisions of these Bylaws are binding upon the Association and the Owners. All present and future Owners shall be subject to these Bylaws, as amended from time to time. Acquisition of any Lot constitutes an acknowledgement that the Owner has agreed to and ratified these Bylaws and will comply with them.

**c. Controlling Laws and Instruments**

These Bylaws are controlled by and shall always be consistent with the provisions of the Utah Revised Nonprofit Corporation Act (the "Act"), as it may exist at any given time, the Declaration, and the Articles of Incorporation of the Association filed with the Division of Corporations and Commercial Code of the Utah Department of Commerce (the "Division"), as any of the foregoing may be amended from time to time.

**2. ASSOCIATION**

**a. Composition**

All of the Owners acting as a group in accordance with the Declaration, Bylaws, and Articles of Incorporation ("Governing Documents") shall constitute the Association. Except for matters specifically reserved for a vote of the Owners, the Board, on behalf of the Owners, shall administer the Association's affairs.

**b. Annual Meeting**

Annual meetings shall be held once a year. The Board shall determine the date, time, and place of the annual meeting. The Association shall send notice of annual meetings at least 20 days in

advance of the meeting. At the annual meeting the Association shall conduct the following business in any order the Board sees fit:

- (1) Roll call and verification of quorum;
- (2) Approval of minutes from preceding annual meeting;
- (3) Reports of Officers;
- (4) Special Committee Reports;
- (5) Election of Board Members;
- (6) Review of Reserve Analysis and Funding Reserves
- (7) Unfinished Business from Preceding Annual Meeting; and
- (8) New Business

c. Special Meeting

Special meetings may be held at any time for any purpose. A special meeting may be called by a majority of the Board or upon petition of at least 50% of the Owners in good standing. The Association shall schedule and send notice of a special meeting within 20 days of request. The notice of a special meeting shall state the date, time, place, and purpose of the meeting. No business may be transacted at a special meeting except as stated in the notice.

d. Place of Meeting

Meetings shall be held at a place designated by the Board and stated in the notice of meeting. Meetings shall be held in Davis County.

e. Conduct of Meeting

The President shall preside over all meetings of the Association. The Secretary, or their agent, shall keep the minutes of the meeting and take record of all resolutions adopted at the meeting.

f. Quorum

A quorum shall be the Owners present in person or by proxy at a meeting.

g. Voting

Each Lot shall have one vote. If a Lot is owned by more than one person and multiple Owners are present at a meeting, the vote appertaining to that Lot shall be cast by agreement of a majority of the Owners. If a Lot is owned by more than one person and a single Owner is present at a meeting, the vote appertaining to that Lot shall be cast by the Owner present. The Association may conclusively presume the consent of all a Lot's Owners when a vote is cast by a Lot with multiple owners.

Except where a greater number is required by the Governing Documents or the Nonprofit Act and elections of Board Members, any decision requiring Owner consent shall be passed by majority vote of a quorum.

h. Suspension of Voting Rights

The Board may suspend the voting rights of a Member for any period during which any assessment remains unpaid.

i. Good Standing

An Owner shall be in good standing if he has paid assessments levied against his Lot, including late fees, interest, fines, collection costs, and attorney fees. An Owner must have paid in full at least three days prior to the meeting or action.

j. Proxies

An Owner in good standing may vote or otherwise act by proxy. An Owner may appoint a proxy by signing a proxy form. The proxy form may be submitted to the Association in person, by mail, or electronically. The proxy form must name a proxy, be dated, and signed by the Owner. Any proxy form that does not contain a proxy's name, date, or signature shall be void. Unless otherwise specified, the proxy form is valid only for the meeting for which it is sent to the Owner.

I. Record Date

The record date for determining which people are entitled to vote shall be the date notice of the meeting or action is sent. The Board may change the record date prior to sending notice of the action. The Owners shown on the records of the Association on the record date shall be the people entitled to vote on an action.

**3. Board**

a. Board Members

There shall be four Board Members. One Member shall be designated as President, one Member shall be designated as Secretary, and the remaining two positions will be Members at Large. The positions will be determined by the Board at their first organizational meeting after the Association's annual meeting. Three Members of the Board will be entitled to vote at the Board meetings with the fourth not having a vote unless a Board Member is absent. The non-voting Board member will be rotated between the Board members on a monthly basis. The secretary will maintain a record of who is the non-voting Board Member at each meeting.

b. Selection and Term of Office

Unless appointed by the Board under this Article, Board Members shall be elected by the Owners. The candidates with the most votes shall be elected. Board Members must be an Owner of a Unit who is in good standing.

Board Members shall serve staggered terms of two years. Board Members shall hold office until their successor is elected. If the Members' terms become non-staggered (i.e., after removal of the entire Board), the initial term of each member (1 or 2 years) shall be decided by vote of the

newly elected Members at their organizational meeting. A Board Member who has served their full two year term must sit out at least one year before running for another term.

c. Vacancies

Board Member vacancies, for any reason other than removal by vote of the Association, shall be appointed by vote of the remaining Board Members. The Board shall conduct a special meeting for the purpose of filling the vacancy. The Board Members present will constitute a quorum. Each replacement Board Member shall serve until the next annual Owners' meeting, then the vacancy shall be filled by vote of the Owners. The replacement Board Member elected by the Owners shall serve the remaining term of the replaced Board Member.

d. Resignation/Removal of Board Members

Any Board Member(s) may resign at any time by giving written notice to the Board stating the effective date of such resignation.

A Board Member or Members may be removed with or without cause by vote of a majority of a quorum of Owners. If the Owners propose to remove Board Member(s), the Association shall give the Board Member and Owners at least 20 days written notice of the meeting and the purpose of the meeting. The Board Member shall be given an opportunity to be heard at the meeting prior to the vote to remove him/her. At any meeting where a Board Member is removed by the Owners, the Owners must vote to replace the Board Member. The replacement will serve the remaining term of the removed Board Member.

Any Board Member who allows his assessments to become more than 90 days past due may be removed and replaced by vote of a majority of the Board. The Board shall give the Member ten days written notice to cure the default prior to voting to remove the Member.

If any Board Member fails on three successive occasions to attend Committee meetings (regular or special, or who fails to attend at least 60% of all Committee meetings (regular or special) during a 12-month period, shall be removed and replaced by majority vote of the remaining Board Members. The replacement Member shall serve until the expiration of the term for which the Member being replaced was elected.

e. Organization Meeting

The Board Members shall hold an organizational meeting following the annual owners' meeting for the purpose of electing officers. Notice of the organizational meeting shall be given verbally at the annual meeting. The organizational meeting shall be conducted within 15 days of the annual meeting.

f. Regular Meetings

The Board shall hold regular meetings. The Board Members shall determine frequency, times and locations of regular Board meetings and ensure that Owners are aware of this information.

**g. Conduct of Board Meetings**

The President shall preside over all meetings of the Board. The Secretary shall take minutes of the Board meetings and shall make record of all resolutions. Written minutes of all Board meetings will be provided to all Owners either electronically, by mail, or by hand delivery for those without email within 15 days of the Board meeting.

**h. Quorum**

A majority (2) of the voting Board Members shall constitute a quorum. A quorum shall be required to conduct business at a meeting. If less than a quorum is present at a meeting, the meeting may be adjourned until such time as decided by the Board Members present.

**i. Action without Meeting**

Any action by the Board may be taken without a meeting if all the Board Members submit a written vote either for, against, or abstaining from the action. Written votes may be given in person, by mail, or electronically. The Board shall file the written votes with its record of minutes.

**j. Powers and Duties**

The Board shall manage the affairs and business of the Association. The Board is vested with all power and authority necessary to administer the affairs of the Association in accordance with the Governing Documents. The Board may do any act required or allowed by the Governing Documents, the Community Association Act, the Nonprofit Act, or any other rule of law. No one Board Member may act alone without agreement of the other Members of the Board.

Subject to the limitations contained in the Declaration, Bylaws, or Community Association Act, the Board shall have the following authority:

- (1) Prepare an annual budget and establish what constitutes a common expense;
- (2) Adopt and amend rules, regulations, policies, and procedures governing the Common Areas, administration of the Association, and to enforce and interpret the Governing Documents;
- (3) Delegate authority to a managing agent to act on behalf of the Association;
- (4) Provide for the maintenance and repair of the Common Areas.
- (5) Hire, contract for, and terminate personnel or contractors necessary for the maintenance and repair of the Common Areas and administration of Association business.
- (6) Open and maintain bank accounts on behalf of the Association. Designate authorized signers for the bank accounts;

- (7) File lawsuits or initiate other legal proceedings on behalf of the Association;
- (8) Defend lawsuits, administrative actions, and other legal proceedings against the Association;
- (9) Pay costs of any services rendered to the Association;
- (10) Keep books with detailed accounts of the receipts and expenditures of the Association. Make the books available to the Owners as required by the Community Association Act and Nonprofit Act. The books shall be kept by the managing agent in accordance with generally accepted accounting practices. Provide Owners with a monthly copy of the Association's financial balance sheet and budget comparison along with the Board meeting minutes within 15 days of the Board meeting.
- (11) Grant easements, licenses, or permission over, under, and through the Common Areas;
- (12) Upon approval by 75% of the ownership interest in the Common Areas, to convey Common Areas;
- (13) Create Committees;
- (14) Any other act allowed or required by the Governing Documents, the Community Association Act, or the Nonprofit Act;
- (15) Negotiate and enter into contracts on behalf of the Association.
- (16) Any act allowed or required to be done in the name of the Association.

**k. Property Manager**

The Board shall employ a property manager to perform such duties and services as the Board shall authorize. The Board may delegate to the property manager all powers granted to the Board and officers by the Governing Documents and law. However, the property manager must obtain the Board's written consent to exercise the powers listed in CC & Rs, Utah law, the Rules and Regulations, and these Bylaws. Further, all communication with the property manager by Board Members must go through the President of the Board.

**l. Compensation**

Board Members shall not be compensated for their work.

**m. Limitation of Liability**

The Board Members shall not be liable to the Owners for any mistake of judgment, negligence, or other errors, unless it was by willful misconduct or criminal conduct. The Association shall indemnify and hold the Board Members harmless against liability to third parties for actions

taken on behalf of the Association, while acting in their capacity as Member, unless the action constitutes willful misconduct or criminal conduct.

**4. Finances**

**a. Fiscal Year**

The fiscal year of the Association shall be the calendar year, January 1<sup>st</sup> to December 31<sup>st</sup>.

**b. Checks, Agreements, and Contracts**

All checks, contracts, deeds, leases, and other instruments used for expenditures or obligations can only be executed by those authorized by the Board.

**5. Amendments to Bylaws**

**a. Amendments**

These Bylaws may be amended by the Board, unless it would result in changing the rights, privileges, preferences, restrictions, or conditions of a membership class as to voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions, or conditions of another class. These Bylaws may also be amended by a majority vote of a quorum of the Owners.

The President of the Association shall sign all amendments to the Bylaws and Declaration.

**b. Recording**

Any amendment of these Bylaws shall become effective on the date it is recorded in the Davis County Recorder's Office.

**6. Miscellaneous**

**a. Office**

The principal office of the Association shall be located at any place within Davis County in the State of Utah which may be designated from time to time by the Board.

**b. Conflicts**

The Bylaws are subordinate to any conflicting provisions in the Community Association Act, the Nonprofit Act, the Map, or the Declaration. The Bylaws are superior to the Rules, Regulations, and Policies of the Association.

**c. Severability**

If any provision of these Bylaws is held by a court of law to be invalid, the validity of the remainder of these Bylaws shall not be affected.

**d. Waiver**

No provision of these Bylaws shall be deemed to be waived because of a failure to enforce the provision.

**e. Captions**

The captions contained in these Bylaws are for convenience only. The captions shall not be used to interpret, limit, or enlarge the provisions of these Bylaws.

**f. Gender**

Whenever the context so requires, the singular shall include the plural and vice versa. The use of any gender shall include all genders.

**g. Books and Records**

The Board on behalf of the Association shall keep as permanent records minutes of all meetings of the Board, accounting records, and list of all Owners and/or tenants.

**h. Notice**

All notices and other communications required under the Governing Documents, unless otherwise specified, shall be in writing and shall be sent as follows:

Notices to Owners may be delivered using the following methods:

- (1) By professional courier service or First-class U.S. mail, postage prepaid, to the address of the Lot or to any other address designated by the Owner in writing to the Association;
- (2) By hand to the address of the Lot or to any other address designated by the Owner in writing to the Association;
- (3) By posting on the Association website; or
- (4) By facsimile, electronic mail, or any other electronic means to an Owner's number or email address as designated by the Owner in writing to the Association.

Notice to the Association may be delivered using the following methods:

- (1) By professional courier service or First-class U.S. mail, postage prepaid, to the principal office of the Association as designated in writing to the Owners; or

(2) By facsimile, electronic mail, or any other electronic means to the Association's official electronic contact as designated in writing to the Owners.

Notices sent via courier or mail shall be deemed received three (3) days after being sent. Notices hand delivered or sent via electronic means shall be deemed received upon delivery or being sent. Attendance or participation by an Owner in any event or action requiring notice shall be deemed a waiver of notice, unless the Owner is in attendance for the sole purpose of challenging notice.

## 7. Enforcement Rights

In the event of an alleged violation of the Declaration, these Bylaws, or the Rules and Regulations of the Association by an Owner or tenant, the Board shall have the right upon an affirmative vote of a majority of all Members on the Board, to take actions and to pursue one or more of the remedies permitted under the provision of the Declaration, these Bylaws, or the Rules and Regulations of the Association.

If, under the provisions of the Declaration, these Bylaws, or the Rules and Regulations, a Notice of Noncompliance and Right to Hearing is required prior to taking action or pursuing remedies, the Board shall give the Owner notice and an opportunity to be heard.

The remedies set forth and provided in the Declaration, the Rules, Regulations, and Policies of the Association or these Bylaws shall be cumulative and none shall be exclusive. However, any individual Owner must exhaust all available internal remedies of the Association prescribed by the Declaration, the Bylaws, and other Rules, Regulations, and Policies of the Association before that Owner may resort to a court of law for relief with respect to any alleged violation by another Owner and/or tenant of the Declaration, these Bylaws, or the Rules and Regulations of the Association.

The foregoing limitation pertaining to exhausting administrative remedies shall not apply (1) to the Board or to any Board Member where the complaint alleges nonpayment of assessments, special assessments, or other assessments, or (2) to matters the Board determines in its discretion will [1] affect the safety of the Common Areas or Facilities or the Owners or their property, or [2] will result in irreparable harm to the Association if not quickly remedied. In such cases, the Board may immediately file suit.

CERTIFICATE OF PRESIDENT

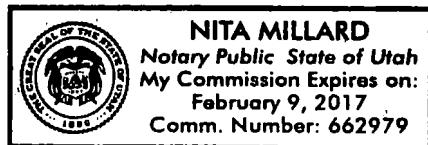
I, the undersigned, do hereby certify that:

1. I am the duly elected and acting President of the Shaela Park, PUD of Centerville, Homeowners Association, a Utah nonprofit corporation ("Association"); and
2. The foregoing Bylaws, comprising ten (10) pages, including this page, constitute the Bylaws of the Association duly adopted by the Board at the meeting of the Board Members duly held on Feb. 6, 2014.

IN WITNESS WHEREOF, I have hereunto subscribed my hand this 7 day of February, 2014.

Heather N. Strasser  
President

Nita Millard  
Notary Public 2/07/14  
Date



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~~BK 5901 PG 75~~

## Exhibit A

### Legal Description

Lots 1 – 32, Parcel A, and Common Area Shaela Park PUD as shown on the Plat Map thereof on record in the Davis County Recorder's Office.