



BYLAWS OF THE COUNTRYSIDE TERRACE TOWNHOME OWNERS ASSOCIATION

Article I

General

- 1.1 Purpose of Bylaws. These Bylaws are adopted for the regulation and enlargement of the affairs of Countryside Terrace Townhome Owners Association, a Utah nonprofit corporation ("Association") to be the Association to which reference is made in the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Countryside Terrace Townhomes (as amended or supplemented from time to time, hereafter the "Declaration"), to perform the Dwelling Units or Lots within the Development.
- 1.2 Terms Defined in Declarations. Unless otherwise specifically provided herein, capitalized terms in these Bylaws shall have the same meaning as given to such terms in the Declaration.
- 1.3 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 Declaration, the Articles of Incorporation of the Association filed with the Division of Corporations and Commercial Code of the Utah Department of Commerce, as any of the foregoing may be amended from time to time.

Article II

Offices

- 2.1 Principal Office. The principal offices of the Association shall be at 12159 Business Park Dr. Suite 100, Draper, UT 84020. The Board of Trustees, in its discretion, may change from time to time, the location of the principal office.
- 2.2 Registered Office and Agent. The Utah Nonprofit Corporation Act requires that the Association have and continuously maintain in the State of Utah a registered office and registered agent. The registered office need not be the same as the principal office of the Association. The initial registered office and the initial registered agent are specified in the Articles of Incorporation, but may be changed by the Association at any time, without amendment to the Articles of Incorporation, by filing a statement as specified by law with the Division of Corporations and Commercial Code of the Utah Department of Commerce.

Article III

Members

- 3.1 Members. A "Member," as provided in the Declaration, is the person or, if more than one person, all persons collectively who constitute the Owner of a Lot within the Development.
- 3.2 Memberships Appurtenant to Lot. Each Membership shall be appurtenant to the fee simple title to a Lot. The person or persons who constitute the Owner of fee simple title to a Lot shall automatically be the holder of the Membership appurtenant to that Lot and the Membership shall automatically pass with fee simple title to the Lot.
- 3.3 Members' Voting Rights. Subject to the provisions in the Declaration and Articles of Incorporation, a member shall be entitled to one (1) vote for each Lot which he owns within the Development.
- 3.4 Voting by Joint Owners. In the event there is more than one Owner of a particular Lot, the vote relating to such Lot shall be exercised as such Owners may determine among themselves. A vote cast at any Association meeting by any of such Owners, whether in person or by proxy, shall be conclusively presumed to be the vote attributable to the Lot concerned unless an objection is immediately made by another Owner of the same Lot. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever, other than to determine whether a quorum exists.
- 3.5 Resolution of Voting Disputes. In the event of any dispute as to the entitlement of any member to vote or as to the results of any vote of Members at a meeting, the Board of Trustees of the Association shall act as arbitrators and the decision of a disinterested majority of the Board of Trustees shall, when rendered in writing, be final and binding as an arbitration award and may be acted upon in accordance with Utah law.
- 3.6 Suspension of Voting Rights. The Board of Trustees may suspend, after Notice and Hearing, the voting rights of a Member during and for up to sixty (60) days following any breach by such Member of Occupant of any provision of the Declaration, the Articles, these Bylaws, the Association Rules and Regulations, or the ACC Rules and Regulations, unless such breach is a continuing breach, in which case such suspension shall continue for so long as such breach continues and up to sixty (60) days thereafter, if so determined by the Board. For any period that any assessment, or any portion thereof, remains unpaid, the Board shall have the right to suspend such Member's voting rights.
- 3.7 Transfer of Memberships on Association Books. Transfer of Membership shall be made on the books of the Association only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Lot to which the Membership is appurtenant. Prior to presentation of such evidence, the Association may treat the previous Owner of the Membership as the Owner of the Membership entitled to all rights in connection therewith, including the right to vote and to receive notice.

Article IV

Meeting of Members

- 4.1 Place of Members' Meetings. Meetings of Members shall be held at the principal office of the Association or at such other place, within or convenient to the Development, as may be fixed by the Board of Trustees and specified in the notice of the meeting.
- 4.2 Annual Meetings of Members. Annual meetings of the Members shall be held at such time and date as is fixed by the Board of Trustees and specified in the notice of meeting. The annual meetings shall be held to elect Trustees of the Association and to transact such other business as may properly come before the meeting.
- 4.3 Special Meetings of Members. Special meetings of the Members may be called by three (3) or more of the Trustees or by ten (10) Members. No business shall be transacted at a special meeting of Members except as indicated in the notice thereof.
- 4.4 Record Date. For the purpose of determining Members entitled to notice of, or to vote at, any meeting of Members or in order to make a determination of such Members for any other proper purpose, the Board of Trustees may fix, in advance, a date as the record date for any such determination of Members. The record date shall not be more than fifty (50) days prior to the meeting of the Members or the event requiring a determination of Members.
- 4.5 Notice of Members' Meetings. Written notice stating the place, day and hour of any meeting shall be delivered not less than ten (10) nor more than thirty (30) days before the date of the meeting, either personally, by mail or electronic medium, by or at the direction of any of the officers of the Association, or the officers or persons calling the meeting, to each Member entitled to vote at such meeting. The notice of an annual meeting shall include the names of any known candidate for Trustee and shall identify any other matter which it is known may come before the meeting. The notice of a special meeting shall state the purpose or purposes for which the meeting is called. If mailed, such notice shall be deemed to be delivered three (3) business days after a copy of the same has been deposited in the United States mail addressed to the Member at the street address given by the Member to the Association, or to the residence of such Member if no address has been given to the Association.
- 4.6 Proxies. A Member entitled to vote may vote in person or by proxy executed in writing by the Member or his duly authorized attorney-in-fact and filed with the Secretary of the meeting prior to the time the proxy is exercised. Any proxy may be revoked, prior to the time the proxy is exercised, by a Member in person at a meeting or by revocation in writing filed with the Secretary. A proxy shall automatically cease upon the conveyance by a Member of the Lot of the Member and the transfer of the Membership on the books of the Association. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy and no proxy shall be valid in any event for more than three (3) years after its date of execution. Any form of proxy furnished or



solicited by the Association and any form of written ballot furnished by the Association shall afford an opportunity thereon for Members to specify a choice between approval and disapproval of each matter or group of related matters which at the time the form of proxy or written ballot is prepared, is known may come before the meeting and shall provide, subject to reasonably specified conditions, that if a Member specified a choice with respect to any such matter, the vote shall be cast in accordance therewith.

4.7 Quorum at Members' Meetings. Except as may be otherwise provided in the Declaration, the Articles of Incorporation, or these Bylaws, and except as hereinafter provided with respect to the calling of another meeting, the presence, in person or by proxy, of Members entitled to cast at least thirty percent (30%) of the votes of all Members shall constitute a quorum at any meeting of such Members. Members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of Members so as to leave less than a quorum. If a quorum is not present at any meeting, another meeting may be called by the Board of Trustees at the original meeting and no further notice shall be necessary, or otherwise by issuing a Notice of Members Meeting, and such subsequent meeting a quorum shall be one-half (1/2) of the quorum which was required at such preceding meeting, except as otherwise provided in the Declaration, the Articles of Incorporation, or these Bylaws. No such subsequent meeting shall be held more than forty-five (45) days, or less than 2 days, following such preceding meeting at which a quorum was not present.

4.8 Adjournment of Members' Meetings. Members present in person or by proxy at any meeting at which a quorum, or reduced quorum as the case may be, was present may adjourn the meeting from time to time, without notice other than announcement at the meeting, for a total period or periods not to exceed forty-five (45) days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall be the same as the quorum requirement of the meeting so adjourned, and any business may be transacted which might have been transacted at the adjourned meeting.

4.9 Vote Required at Members' Meetings. At any meeting where a quorum is present, a majority of the votes present in person or by proxy and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles of Incorporation, or these Bylaws, except that in the case of elections in which there are more than two (2) candidates, the persons receiving the highest number of votes shall be elected.

4.10 Cumulative Voting Not Permitted. Cumulative voting by Members in the election of Trustees shall not be permitted.

4.11 Order of Business. The order of business at any meeting of Members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) election of Trustees, if applicable; and (e) any other Association business. All other matters shall be conducted as the President directs and as may be set forth in an agenda.

4.12 Expenses of Meetings. The Association shall bear the expenses of all meetings of members and special meetings of Members.

4.13 Waiver of Notices. A waiver of notice of any meeting of Members, signed by a Member, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Member. Attendance of a Member at a meeting, either in person or by proxy, shall constitute waiver of notice of such meeting except when the Member attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

4.14 Action of Members Without a Meeting. Any action required to be taken or which may be taken at a meeting of Members may be taken without a meeting if consent, in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

Article V

Board of Trustees

5.1 Nominating Committee. The board of Trustees may appoint a three (3) member nominating committee. The Board of Trustees may elect one (1) of the committee members to serve as chairman of the nominating committee. The nominating committee shall contact their nominees to obtain the nominee's consent to have his name placed on the ballot for election to the Board of Trustees. The list of the candidates,, with a brief statement, shall be mailed to each Owner with the notice of the annual meeting.

5.2 General Powers and Duties of Board of Trustees. The Board of Trustees shall have the duty to manage and supervise the affairs of the Association and shall have all powers necessary or desirable to permit it to do so. Without limiting the generality of the foregoing, the Board of Trustees shall have the power to exercise or cause to be exercised for the Association all of the powers, rights and authority of the Association not reserved to Members in the Declaration, the Articles of Incorporation, these Bylaws, or the Utah Revised Nonprofit Corporation Act.

5.3 Special Powers and Duties of Board of Trustees. Without limiting the foregoing statement of general powers and duties of the Board of Trustees or the powers and duties of the Board as set forth in the Declaration, the Board of Trustees of the Association shall be vested with the following specific powers and duties:

a. Assessments. The duty to fix and levy from time to time Annual Assessments, Special Assessments, Corrective Assessments, and Additional Assessments upon the Members of the Association as provided in the Declaration; to determine and fix the due date for the payment of such Assessments and the date upon which the same shall become delinquent; to enforce the payment of such delinquent assessments as provided in the Declaration; and to propose an appropriate annual fee schedule for Membership approval at the annual meeting.

- b. Insurance. The duty to contract and pay premiums for fire, casualty, liability and other insurance in accordance with the provisions of the Declaration.
- c. Common Areas. The duty to manage and care for the Common Areas, and to employ personnel necessary for the care and operation of the Common Areas, and to contract and pay for necessary or desirable Improvements on property acquired by the Association in accordance with the Declaration.
- d. Agents and Employees. The power to select, appoint, and remove all officers, agents and employees of the Association and to prescribe such powers and duties for them as may be consistent with law, the Articles of Incorporation, the Declaration, and these Bylaws; and to fix their compensation and to require from them security for faithful service as deemed advisable by the Board of Trustees.
- e. Borrowing. The power, with the approval of a majority of votes that are actually cast at a meeting or voting procedure for amounts exceeding \$100,000 to borrow money and to incur indebtedness for the purpose of the Association, and the cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, mortgages, pledges, hypothecations or other evidences of debt and securities therefor.
- f. Enforcement. The power to enforce the provisions of the Declaration, the Rules and regulations of the Association, the Architectural Rules and Regulations, these Bylaws or other agreements of the Association. The Board shall have the right, but not the duty, to enforce as it deems fit in its best business judgment.
- g. Delegation of Powers. The power to delegate its powers according to law.
- h. Rules and Regulations. The power to adopt such rules and regulations with respect to the interpretation and implementation of the Declaration, use of Common Areas, and use of any property within the Development, including Dwelling Units; provided, however, that such rules and regulations shall be enforceable only to the extent that they are consistent with the Declaration, the Articles, and these Bylaws. Any violation of the Rules and Regulations by an Owner or its guests, tenants, invitees, or licensees shall subject such Owner to a fine.
- i. Mandatory Meetings. Hold a minimum of six (6) meetings annually. The Board, by majority vote, may remove a Trustee who fails to attend three (3) consecutive Board meetings.
- j. Budget. Prepare and present a budget for Membership approval at each annual meeting.
- k. Special Assessments. Prepare and present special assessment proposals, if necessary, at any meeting.
- l. Contracts. Authorize any officer or officers, agent or agents, in addition to those specified in these Bylaws, to enter into any contract or execute and deliver any Instrument in the name of or on behalf of the Association, and such authority may be general or confined to specific instance. Unless so authorized by the Board of Trustees, no officer, agent, or employee shall have any power or authority to bind the Association by contract or engagement, or to pledge its credit or render it liable for any purpose or for any amount.

5.4 Qualifications of Trustees. A Trustee must be an Owner of a Lot within the Development. If the Owner of any such Lot is a partnership, corporation, or limited liability company, there must be a designated representative of such partnership,

corporation, or limited liability company. If a Trustee conveys or transfers title to his Lot, or if a Trustee who is a designated representative of a partnership, corporation, or limited liability company ceases to be such designated representative, or if the partnership, corporation, or limited liability company of which a Trustee is a designated representative transfers title to its Lot, such Trustee's term as Trustee shall immediately terminate and a new Trustee shall be selected as promptly as possible to take such Trustee's place. A Trustee may be re-elected and there shall be no limit on the number of terms a Trustee may serve, except that no Trustee shall be eligible to serve more than two (2) consecutive terms on the board of Trustees without an interim period of at least one (1) year.

5.5 Number Trustees. The number of Trustees of the Association shall be not less than three (3) and not more than nine (9). Subject to such limitations, the number of Trustees shall be seven (7) until changed pursuant to this Section. Any increase or decrease in the number of Trustees must be accomplished by an amendment to these Bylaws. In the absence of a bylaw fixing the number of Trustees, the number shall be the same as that stated in the Articles of Incorporation.

5.6 Term of Office of Trustees. The affairs of the Association shall be managed by a Board of Trustees composed of seven (7) individuals, unless changed pursuant to Section 5.5. The Board shall be elected by ballot to serve as follows:

- a. Four (4) Trustees to serve a two (2) year term beginning on January 1 of the next odd-numbered year.
- b. Three (3) Trustees to serve a two year term beginning on January 1 of the next even-numbered year.

Trustees newly elected at the annual meeting shall take office on the following January 1. Said newly elected Trustees are invited to attend Board meetings to familiarize themselves with Association procedures prior to taking office on January 1. Only members who are not in violation of the Declaration, these Bylaws, the Association Rules and Regulations, or the ACC Rules and Regulations shall be eligible to run for a position on the Board of Trustees.

5.7 Removal of Trustees. At any meeting of the Members, the notice of which indicates such purpose, any Trustee may be removed, with or without cause, by the affirmative vote of Members holding a majority of the voting interests of all Members and a successor may be then and there elected to fill the vacancy this created

5.8 Resignation of Trustees. Any Trustee may resign at any time by giving written notice to the President, the Secretary, or the Board of Trustees stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

5.9 Vacancies on the Board of Trustees. Any vacancy occurring on the Board of Trustees shall, unless filled in accordance with Section 5.6 or by election at a special meeting of Members, be filled by the affirmative vote of a majority of the remaining Trustees,

though less than a quorum of the Board of Trustees. A Trustee elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of this predecessor in office. A trusteeship to be filled by reason of increase in the number of Trustees shall be filled only by vote of the Members.

5.10 Appointment of Committees. The Board of Trustees, by resolution adopted by a majority of the Trustees in office, may designate and appoint one or more committees which shall consist of two or more Trustees and which, unless otherwise provided in such resolution, shall have and may exercise the authority of the Board of Trustees in the management of the Association, except authority with respect to those matters specified in the Utah Revised Nonprofit Corporation Act as matters which such committee may not exercise the authority of the Board of Trustees.

5.11 General Provisions Applicable to Committees. The designation and appointment of any committee and the delegation thereto of authority shall not operate to relieve the Board of Trustees, or any individual Trustee, of any responsibility imposed upon it or him by law.

The Provision of these Bylaws with respect to notice of meetings, waiver of notices, quorums, adjournment, vote required, and action by consent applicable to meetings Trustees shall be applicable to meetings of committees of the Board of Trustees.

Article VI

Meetings of Trustees

6.1 Place of Trustees' Meetings. Meetings of the Board of Trustees shall be held at the principal office of the Association or at such other place, within or convenient to the Development, as may be fixed by the Board of Trustees and specified in the notice of the meeting.

6.2 Annual Meeting of Trustees. Annual meetings of the Board of Trustees shall be held on the same date as, or within ten (10) days following, the annual meeting of Members and also on the date that newly elected Trustees take office. The business to be conducted at the annual meeting of Trustees shall consist of the appointment of officers of the Association and the transaction of such other business as may properly come before the meeting. No prior notice of the annual meeting of the Board of Trustees shall be necessary if the meeting is held on the same day and at the same place as the annual meeting of Members at which the Board of Trustees is elected or if the time and place of the annual meeting of the Board of Trustees is announced at the annual meeting of such Members.

6.3 Other Regular Meetings of Trustees. The Board of Trustees may hold other regular meetings and may, by resolution, establish in advance the times and places for such regular meetings. No prior notice of any regular meeting need be given after establishment of the time and place thereof by such resolution.



6.4 **Special Meetings of Trustees.** Special meetings of the Board of Trustees may be called by the President or any two (2) members of the Board of Trustees other than the President.

6.5 **Notice of Trustees' Meetings.** In the case of all meetings of Trustees for which notice is required by these Bylaws, notice stating the place, day and hour of the meeting shall be delivered not less than three (3) nor more than thirty (30) days before the date of the meeting, by mail, fax, telephone, electronic medium or personally, by or at the direction of the persons calling the meeting, to each member of the Board of Trustees. If mailed, such notice shall be deemed to be delivered three (3) business days after a copy of the same has been deposited in the United States mail addressed to the Trustee at the street address given by the Trustee to the Association, or to the residence of such Trustee if no address has been given to the Association. If faxed, such notice shall be deemed delivered when the transmission is complete. If by telephone such notice shall be deemed to be delivered when given by telephone to the Trustee. If given personally, such notice shall be deemed to be delivered upon delivery of a copy of a written notice to, or upon verbally advising, the Trustee or some person who appears competent and mature at his home or business address as either appears on the records of the Association.

Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Trustees need be specified in the notice or waiver of such meeting.

6.6 **Quorum of Trustees.** A majority of the number of Trustees fixed in these Bylaws shall constitute a quorum for the transaction of business. For the purpose of determining the presence of a quorum, Trustees will be counted if represented in person.

6.7 **Adjournment of Trustees' Meetings.** Members present at any meeting of Trustees, may adjourn the meeting from time to time, whether or not a quorum shall be present, without notice other than announcement at the meeting, for a total period or periods of not to exceed thirty (30) days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

6.8 **Vote Required at Trustees' Meeting.** At any meeting of the Trustees, if a quorum is present, a majority of the votes present in person and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles of Incorporation, or these Bylaws.

6.9 **Officers at Meetings.** The President shall act as chairman and the Board of Trustees shall elect a Trustee to act as secretary at all meetings of Trustees.

6.10 **Waiver of Notice.** A waiver of notice of any meeting of the Board of Trustees, signed by a Trustee, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Trustee. Attendance of a Trustee at a meeting in person shall

constitute waiver of notice of such meeting except when the Trustee attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

6.11 Action of Trustees Without a Meeting. Any action required to be taken or which may be taken at a meeting of Trustees, may be taken without a meeting if each of the Trustees consents in writing to waive the meeting requirement. Any response by a Trustee to an e-mail chain or conversation regarding a particular matter shall be deemed to be consent under this section for such matter, unless such response indicates that the Trustee does not waive the meeting requirement.

Article VII

Officers

7.1 Officers, Employees and Agents. The officers of the Association shall consist of a President, a Secretary, a Treasurer and such other officers, assistant officers, employees and agents as may be deemed necessary by the Board of Trustees. Officers other than the President need not be Trustees. No person shall simultaneously hold more than one (1) office except the offices of Secretary and Treasurer. The individual officers shall have such power, authority, and duties as the Board may designate from time to time.

7.2 Appointment and Term of Office of Officers. The officers shall be appointed by the Board of Trustees at the annual meeting of the Board of Trustees and shall hold office, subject to the pleasure of the Board of Trustees, until the next annual meeting of the Board of Trustees or until their successors are appointed, whichever is later, unless the officer resigns or is removed earlier.

7.3 Removal of Officers. Any officer, employee or agent may be removed by the Board of Trustees, with or without cause, whenever in the judgment of the Board of Trustees the best interests of the Association will be served thereby. The removal of an officer, employee or agent shall be without prejudice to the contract rights, if any, of the officer, employee or agents removed. Election or appointment of an officer, employee or agent shall not of itself create contract rights.

7.4 Resignation of Officers. Any officer may resign at any time by giving written notice to the President, the Secretary, or the Board of Trustees of the Association stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

7.5 Vacancies in Offices. Any vacancy occurring in any position as an officer may be filled by the Board of Trustees. An officer appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

7.6 President. The President shall be a member of the Board of Trustees and shall be the principal executive officer of the Association and, subject to the control of the Board of Trustees, shall direct, supervise, coordinate and have general control over the affairs of



the Association, and shall have the powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the Board of Trustees and of the Members of the Association.

- 7.7 Vice President. The Vice President, if any, may act in place of the President in case of his death, absence or inability to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board of Trustees or by the President.
- 7.8 Secretary. The Secretary shall be the custodian of the records and the seal of the Association and shall affix the seal to all documents requiring the same, if such seal exists; shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law and that the books, reports and other documents and records of the Association are properly kept and filed; shall take or cause to be taken and shall keep minutes of the meetings of Members, the Board of Trustees, and committees of the Board of Trustees; shall keep at the principal office of the Association a record of the names and addresses of the Members; and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him by the Board of Trustees or by the President. The Board of Trustees may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his death, absence or inability to act.
- 7.9 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the association; shall deposit all such funds in the name of the Association in such depositories as shall be designated by the Board of Trustees; shall keep correct and complete financial records and books of account and records of financial transactions and condition of the Association, and shall submit such reports thereof as the Board of Trustees may, from time to time, require; shall arrange for the annual report required under Section 9.4 of these Bylaws; and, in general, shall perform all the duties incident to the office of Treasurer and such other duties as may, from time to time, be assigned to him by the Board of Trustees or by the President. The Board of Trustees may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his death, absence or inability to act.
- 7.10 Bonds. The Association may require fidelity bonds covering officers or other persons handling funds of the Association as required in the Declaration. The Association shall pay the premiums for such bonds.

Article VIII

Indemnification of Officials and Agents

- 8.1 Certain Definitions. A "Corporate Official" shall mean any Trustee or officer and any former Trustee or officer of the Association. A "Corporate Employee" shall mean any employee or agent and any former employee or agent of the Association, "Expenses" shall mean all costs and expenses, including attorney fees, liabilities, obligations, judgments, and any amounts paid in reasonable settlement of a Proceeding. "Proceeding"

shall mean any claim, action, suit or proceeding, civil or criminal, whether threatened, pending or completed, and shall include appeals.

8.2 Right of Indemnification. The Association shall indemnify any Corporate Official and may, in the discretion of the Board of Trustees, indemnify any Corporate Employee against any and all Expenses actually and reasonably incurred by or imposed upon him in connection with, arising out of, or resulting from, any Proceeding in which he may be involved or to which he is or may be a party by reason of (a) actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty while acting in his official capacity as a Corporate Official or Corporate Employee; or (b) any matter claimed against him solely by reason of his being a Corporate Official or Corporate Employee. The Right of indemnification shall extend to all matters as to which a majority of disinterested Trustees of the Association by resolution, or independent legal counsel in a written opinion, shall determine that the Corporate Official or Corporate Employee acted in good faith and had no reasonable cause to believe that his conduct was improper or unlawful. The right of indemnification shall not extend to matters as to which the Corporate Official or Corporate Employee is finally adjusted in an action, suit or proceeding to have been liable for gross negligence or willful misconduct in the performance of his duty, except to the extent that a court may determine, upon application, that despite such adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity. The right of indemnification shall not extend to any matter as to which said indemnification would not be lawful under the laws of the State of Utah.

8.3 Advances of Expenses and Defense. The Association may advance Expenses to, or where appropriate, may undertake the defense of, any Corporate Official or Employee in a Proceeding provided that the Corporation Official or Corporate Employee shall undertake, in writing, to reimburse the Association for the Expenses advanced or for the costs and expenses of such defense if it should ultimately be determined that the Corporate Official or Corporate Employee is not entitled to Indemnification under the Article.

8.4 Rights Not Exclusive. The right of indemnification herein provided shall not be exclusive of other rights to which such Corporate Official or Corporate Employee may be entitled.

8.5 Authority to Insure. The Association may purchase and maintain liability insurance on behalf of any Corporate Official or Corporate Employee against any liability asserted against him and incurred by him as a Corporate Official or Corporate Employee or arising out of his status as such, including liabilities for which a Corporate Official or Corporate Employee might not be entitled to indemnification hereunder.

Article IX

Miscellaneous

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Debbie B. Johnson, Iron County Recorder Page 12 of 19
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9.1 Amendment Conflict. These Bylaws may be altered, amended or repealed, after a quorum is established, with the approval of two-thirds (2/3) of the votes that are actually cast at such meeting or other voting procedure allowed under the governing documents. Provided, that as a condition to any such alteration, amendment or repeal, written notice of the proposed vote to amend shall be given to all Unit Owners at least ten (10) days in advance of any such vote. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and Bylaws, the Declaration shall control.

9.2 Compensation of Officers, Trustees and Members. No Trustee shall have the right to receive any compensation from the Association for serving as such Trustee except for reimbursement of expenses as may be approved by resolution of disinterested members of the Board of Trustees and except as may otherwise be approved by the Members. Officers, agents and employees shall receive such reasonable compensation as may be approved by the Board of Trustees. Appointment of a person as an officer, agent or employee shall not, of itself, create any right to compensation.

9.3 Books and Records. The Association shall keep correct and complete books and records of account, shall keep minutes of the proceedings of its Members, its Board of Trustees, and any committee having any of the authority of the Board of Trustees, and shall keep, at its principal office, a record of the names and addresses of its Members, and copies of the Declaration, the Articles of Incorporation and these Bylaws which may be purchased by any Member at a reasonable cost. All books and records of the Association, including the Articles of Incorporation, the Bylaws, and the minutes of meetings of Members and Trustees, may be inspected by any member, or his agent or attorney, and any First Mortgagee of a Member for any proper purpose at any reasonable time. The right of inspection shall be subject to any reasonable rules adopted by the Board of Trustees requiring advance notice of inspection, specifying hours and day of the week during which inspection will be permitted and establishing reasonable fees for any copies to be made or furnished.

9.4 Annual Report. An annual financial report and projected budget report shall be prepared and presented at the annual meeting. At the end of the year, upon the completion of the annual financial review, the Board of Trustees shall advise all Members of the financial condition of the Association.

9.5 Statement of Account. Upon Payment of a reasonable fee to be determined by the Association and upon written request of an Owner of a Lot or any person with any right, title or interest in a Lot or intending to acquire any right, title or interest in a Lot, the Association shall furnish, within ten (10) days after the receipt of such request, a written statement of account setting forth the amount of unpaid assessments, or other amounts, if any, due or accrued and then unpaid with respect to the Lot and the Unit thereon, and the amount of the assessments for the current fiscal period of the Association payable with respect to the Lot and the Unit thereon. Such statement shall, with respect to the party to whom it is issued, be conclusive against the Association and all parties, for all purposes, that no greater or other amounts were then due or accrued and unpaid and that no other assessments have been levied.

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9.6 Annual Corporation Reports. The Association shall file with the Division of Corporations and Commercial Code for the Utah Department of Commerce, within the time prescribed by law, annual corporate reports in such form and containing the information required by law and shall pay the fee for such filing as prescribed by law.

9.7 Fiscal Year. The fiscal year of the Association shall begin on January 1 and end the succeeding December 31.

9.8 Seal. The Board of Trustees may adopt a seal which shall have inscribed thereon the name of the Association and the words "SEAL" and "UTAH".

9.9 Shares of Stock and Dividends Prohibited. The Association shall not have or issue shares of stock and no dividend shall be paid and no part of the income or profit of the Association shall be distributed to its Members, Trustees or offices. Notwithstanding the foregoing paragraph, the Association may issue certificates evidencing membership therein, may confer benefits upon its Members in conformity with its purposes and, upon dissolution or final liquidation, may make distributions as permitted by law, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income or profit.

9.10 Loans to Trustees, Officers and Members Prohibited. No loan shall be made by the Association to its Members, Trustees or officers and any Member, Trustee, or officer who assents to or participate in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

9.11 Limited Liability. The Association, the Board of Trustees, the Architectural Control Committee (ACC), and any agent or employee of any of the same shall not be liable to any person for any actions or for any failure to act in connection with the affairs of the Association if the action taken or failure to act was in good faith and without malice.

9.12 Minutes and Presumptions Thereunder. Minutes or any similar record of the meetings of Members or of the Board of Trustees, when signed by the Secretary or acting Secretary of the meeting, shall be presumed to truthfully evidence the matters set forth therein. A recitation in any such minutes that notice of the meeting was properly given shall be *prima facie* evidence that the notice was given.

9.13 Checks, Drafts and Documents. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be approved by two members of the Board, or one member of the Board and a manager. All such types of instruments payable to the Association shall be approved or endorsed by such person or persons in a manner directed by resolution of the Board or Trustees of the Association. All savings and CD accounts shall be signed by two (2) members of the Board or Trustees.

9.14 Execution of Documents. The Board of Trustees, except as these Bylaws otherwise provide, may authorize any officer or officers, agent or agents, to enter into any contract

or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Trustees, no office, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Article X

Notice and Hearing Procedure

- 10.1 Association Enforced Rights. In the event of an illegal violation by a Member or Occupant ("Resident") of the Declaration, these Bylaws, the Association Rules and Regulations, or the ACC Rules and Regulations, the Board of Trustees shall have the right, upon an affirmative vote of a majority of all Trustees on the Board, to take any one or more of the actions and to pursue one or more of the remedies permitted under the provisions of the Declaration, these Bylaws, the Association Rules and Regulations, or the ACC Rules and Regulations. If, under the provisions of the Declaration, the Articles, these Bylaws, the Association Rules and Regulations, or the ACC Rules and Regulations, a Notice of Noncompliance by the Board of Trustees and Right to Hearing is required prior to taking action or pursuing remedies, the following provisions of Article X of these Bylaws shall be applicable. The failure of the Board of Trustees or the Architectural Control Committee (ACC) to enforce the Associations Rules and Regulations or the ACC Rules and Regulations, the Bylaws, or the Declarations shall not constitute waiver of the right to enforce the same thereafter. The remedies set forth and provided in the Declaration, the Association Rules and Regulations, the ACC Rules and Regulations, or these Bylaws shall be cumulative and none shall be exclusive. However, any individual Member must exhaust all available internal remedies of the Association prescribed by the Declaration, these Bylaws, the Association Rules and Regulations, and the ACC Rules and Regulations, before that Member may resort to a court of law for relief with respect to any alleged violation by another Member of the Declaration, these Bylaws, the Association Rules and Regulations, or the ACC Rules and Regulations, provided that the foregoing limitation pertaining to exhausting administrative remedies shall not apply (i) to the Board of Trustees or to any Member where the complaint alleges nonpayment of Annual Assessments, Special Assessments, Corrective Assessments, or Additional Assessments; or (ii) to matters the Board determines in its discretion will (a) affect the safety of the Common Areas or the owners or their property, or (b) will result in the irreparable harm to the Association if not quickly remedied. In such cases the Board may immediately file suit.
- 10.2 Notice of Noncompliance by Board of Trustees and Right to Hearing. A copy of the Complaint or Notice of Noncompliance by Board of Trustees and Right to Hearing ("Notice") shall contain a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the Respondent is charged and a reference to the specific provisions of the Declaration, these Bylaws, the Association Rules and Regulations, or the ACC Rules and Regulations which the Respondent is alleged to have violated. The notice shall be served on each Respondent in accordance

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with the notice provisions set forth in the Declaration, together with a statement which shall be substantially in the following form:

“Unless a written request for a hearing signed by or on behalf of a person named as Respondent in the accompanying Complaint/Notice is delivered or mailed to the Board of Trustees within fifteen (15) days after the Complaint/Notice is served upon you. The Board of Trustees may proceed upon the Complaint/Notice without a hearing, and you will have thus waived your right to a hearing.

You may, but need not, be represented by counsel at any or all stages of these proceedings. If you desire the names and addresses of witnesses or an opportunity to inspect any relevant writings or items on file in connection with this matter in the possession, custody or control of the Board of Trustees, you may contact:

Countryside Terrace Townhome Owners’ Association

A respondent shall be entitled to a hearing on the merits of the matter if the Notice of Response is timely filed with the Board of Trustees. A Respondent may file a separate statement by way of mitigation, even if he does not file a Notice of Response. If the charges relate to an Occupant that is not a Member, both the Occupant and the Member shall be considered Respondents.

- 10.3 **Board of Trustees.** The Board of Trustees shall serve as the Hearing Committee. The Board of Trustees shall elect a Chairman and appoint a hearing officer who shall take evidence and ensure that a proper record of all proceedings is maintained.
- 10.4 **Notice of Hearing.** The Board of Trustee shall serve a Notice of Hearing, as provided herein, on all parties at least ten (10) days prior to the hearing, if such hearing is requested by a Respondent. The hearing shall be held no later than thirty (30) days after the Notice is mailed or delivered to each Respondent. The Notice of Hearing to each Respondent shall be substantially in the following form, but may include other information:

“You are hereby notified that a hearing will be held before The Board of Trustees at:

On the ____ day of ____ , 20____, at the hour of ____ , upon the charges made in the Complaint/Notice served upon you. You may be present at the hearing, may but need not be represented by counsel, may present any relevant evidence, and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to seek the attendance of witnesses and to compel the production of books, documents or other items in the possession of the Association by applying to the Board of Trustees of the Association.”

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10.5 Hearing.

- a. At the hearing the Respondent must show cause, if any cause can be shown, for why said Respondent is not in violation of the Declaration, the Association Rules and Regulations, the ACC Rules and Regulations, or these Bylaws as set forth in the Notice.
- b. Oral evidence shall be taken orally on oath or affirmation administered by a member of the Board of Trustees. The use of affidavits and written interrogatories in lieu of oral testimony shall be encouraged by the Board or Trustees.
- c. Each party shall have these rights: to call and examine witnesses; to introduce exhibits; to cross-examine witnesses on any matter relevant to the issues; to impeach any witness; and to rebut the evidence against such party. If respondent does not testify in his own behalf, he may be called and examined as if under cross-examination.
- d. The hearing need not be conducted according to technical rules relating to evidence of witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but shall not be sufficient in and of itself to support a finding unless it would be admissible over objection in civil actions.
- e. Neither the complainant nor the Respondent need be in attendance at the hearing. The hearing shall be open to attendance by any Member of the Association to the extent of the permissible capacity of the hearing room.
- f. In rendering a decision, official notice may be taken at any time of any provision of the Declaration, these Bylaws, the Association Rules and Regulations, the ACC Rules and Regulations, or any generally understood matter within the workings of the Association. Persons present at the hearing shall be informed of the matters to be noticed by the Board of Trustees, and these Matters shall be made a part of the record of proceedings.
- g. The Board of Trustees may grant continuances on a showing of good cause.
- h. Whenever the Board of Trustees has commenced to hear the matter and a member of the Board of Trustees is forced to withdraw prior to a final determination by the Board of Trustees, the remaining members shall continue to hear and decide the case.

10.6 Decision. If a Respondent fails to file a Notice of Response as provided in Section 10.3 of these Bylaws, or fails to appear at a hearing, the Board of Trustees may take action based upon the evidence presented to it without further notice to Respondent. However, the Respondent may make any showing by way of mitigation. After all testimony and documentary evidence has been presented to the Board of Trustees, the Board of Trustees may vote by secret written ballot upon the matter, with a majority of the entire Board of Trustees controlling. A copy of the Notice of Adjudication of the Board of Trustees may be posted by the Board of Trustees at a conspicuous place in the Development, and a copy shall be served by the President of the Association on each person directly involved in the matter and his attorney, if any, in accordance with the notice provisions set forth in the Declaration. The Notice of Adjudication may include (i) the terms of any disciplinary

action; (ii) the levy of a Corrective Assessment; or (iii) other such actions or remedies as the Board of Trustees deems appropriate. The decision of the Board of Trustees shall become effective ten (10) days after it is served upon each Respondent, unless otherwise ordered in writing by the Board of Trustees. The Board of Trustees may order a reconsideration at any time within fifteen (15) days following service of its decision on the involved persons, on its own motion or on petition by any party. However, no action against a Respondent arising from the alleged violation shall take effect prior to the expiration of the later of (a) fifteen (15) days after each Respondent's receipt of the Notice of Hearing; or (b) ten (10) days after the hearing required herein.

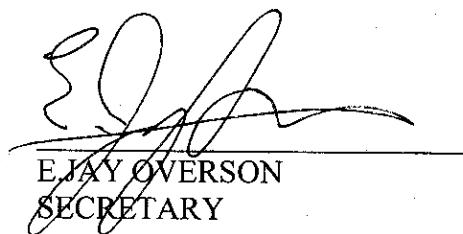
10.7 **Subsequent Violation for Same Offense.** If the Board determines that an Owner violates the Notice of Adjudication, the Board may immediately issue a Notice of Noncompliance by Board and Right to Hearing or file suit to enforce the Notice of Adjudication.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

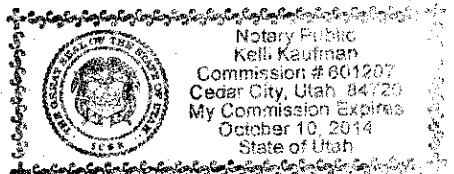
1. These amended Bylaws supersede any and all Bylaws, if any, dated prior to the date of these amended Bylaws as witnessed below; and
2. I am the duly elected and acting Secretary of Countryside Terrace Townhome Owners Association, a Utah nonprofit corporation ("Association").

IN WITNESS WHEREOF, I have hereunto subscribed my hand this 16th day of August, 2012.



E. JAY OVERTON
SECRETARY

SUBSCRIBED AND SWORN TO before me this 16 day of August, 2012.



Notary Public: Kelli Kaufman

Commission Expires: 10-10-14

Residing in: Cedar City, UT

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WHEN RECORDED RETURN TO:
Countryside Terrace Planned Unit Development
c/o FCS Community Management
PO Box 5555
Draper, UT 84020
801-256-0465
manager@hoaliving.com

Parcel # B-1742-0001-0000 through B-1742-0036-0000
(Lot 1 – 36, Countryside Terrace Townhomes, Unit 1)
Parcel # B-1742-0037-0000 through B-1742-0067-0000
(Lot 37 – 67, Countryside Terrace Townhomes, Unit 2)
Parcel # B-1742-0068-0000 through B-1742-0098-0000
(Lot 68 – 98, Countryside Terrace Townhomes, Unit 3)
Parcel # B-1742-0099-0000 through B-1742-00104-0000
(Lot 99 – 104, Countryside Terrace Townhomes, Unit 4)

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