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**BYLAWS**  
**OF**  
**THE CONDOMINIUM FOREST GLEN HOMEOWNERS' ASSOCIATION**  
**A Utah Nonprofit Corporation**  
**Effective as of the 1st day of May, 2004**

## TABLE OF CONTENTS

<u>ARTICLE 1: CORPORATE OFFICES</u> .....	1
1.1 <u>Business Office.</u> .....	1
1.2 <u>Registered Office.</u> .....	1
<u>ARTICLE 2: MEMBERS</u> .....	1
2.1 <u>Unit Owner Bound:</u> .....	1
2.2 <u>Annual Meeting.</u> .....	1
2.3 <u>Special Meeting.</u> .....	2
2.4 <u>Place of Meetings.</u> .....	2
2.5 <u>Notice of Meetings.</u> .....	2
2.6 <u>Waiver of Notice/Objection.</u> .....	2
2.7 <u>Special Requirements for Notice of Meeting.</u> .....	3
2.8 <u>Fixing of Record Date.</u> .....	3
2.9 <u>Voting List.</u> .....	4
2.10 <u>Member Quorum.</u> .....	4
2.11 <u>Proxies.</u> .....	4
2.12 <u>Votes; Corporation's Acceptance of Votes.</u> .....	4
2.13 <u>Member Action Without a Meeting.</u> .....	5
2.14 <u>Member's Right to Inspect Corporate Records.</u> .....	5
2.15 <u>Financial Statements.</u> .....	7
<u>ARTICLE 3: BOARD OF DIRECTORS</u> .....	7
3.1 <u>General Powers.</u> .....	7
3.2 <u>Number of Directors and Qualification.</u> .....	8
3.3 <u>Election and Term of Office.</u> .....	9
3.4 <u>Regular Meetings.</u> .....	9
3.5 <u>Special Meetings.</u> .....	9
3.6 <u>Notice.</u> .....	9
3.7 <u>Quorum.</u> .....	9
3.8 <u>Manner of Acting.</u> .....	10
3.9 <u>Vacancies and Newly Created Directorships.</u> .....	10
3.10 <u>Presumption of Assent.</u> .....	10
3.11 <u>Resignations.</u> .....	10
3.12 <u>Action by Written Consent.</u> .....	10
3.13 <u>Meetings by Telephone Conference Call.</u> .....	11
3.14 <u>Removal of Directors.</u> .....	11
3.15 <u>No Liability.</u> .....	11
3.16 <u>Indemnification.</u> .....	11
3.17 <u>Committees.</u> .....	12
3.18 <u>Audit.</u> .....	13

<u>ARTICLE 4: OFFICERS</u> .....	13
4.1 <u>Designation of Officers.</u> .....	13
4.2 <u>Election, Tenure and Qualifications.</u> .....	14
4.3 <u>Resignations.</u> .....	14
4.4 <u>Removal.</u> .....	14
4.5 <u>Vacancies and Newly Created Offices.</u> .....	14
4.6 <u>President.</u> .....	14
4.7 <u>Vice President.</u> .....	15
4.8 <u>Secretary.</u> .....	15
4.9 <u>Treasurer.</u> .....	15
<u>ARTICLE 5: EXECUTION OF INSTRUMENTS, BORROWING OF MONEY AND DEPOSIT OF CORPORATE FUNDS</u> .....	16
5.1 <u>Instruments.</u> .....	16
5.2 <u>Loans.</u> .....	16
5.3 <u>Deposits.</u> .....	16
5.4 <u>Checks, Drafts, etc..</u> .....	16
<u>ARTICLE 6: TRANSFER OF MEMBERSHIP</u> .....	16
6.1 <u>Transfer of Membership.</u> .....	16
6.2 <u>Restrictions on Transfer of Membership.</u> .....	16
<u>ARTICLE 7: NOTICES, WAIVER OF NOTICE</u> .....	17
<u>ARTICLE 8: MAINTENANCE AND INSPECTION OF BOOKS AND RECORDS</u> .....	17
<u>ARTICLE 9: MISCELLANY</u> .....	17
9.1 <u>Fiscal Year.</u> .....	17
9.2 <u>Seal.</u> .....	17
9.3 <u>No Waiver.</u> .....	17
9.4 <u>Amendment.</u> .....	18
9.5 <u>Severability.</u> .....	18
9.6 <u>Headings.</u> .....	18

**BYLAWS  
OF  
THE CONDOMINIUM FOREST GLEN HOMEOWNERS' ASSOCIATION  
A Utah Nonprofit Corporation**

Approved by Resolution of the  
Board of Trustees effective as of the 24th day of June 2003.

Pursuant to the provisions of the Utah Revised Nonprofit Corporation Act (the "Act", the Board of Directors of Condominium Forest Glen, a Utah nonprofit corporation, hereby adopts the following Bylaws.

**ARTICLE 1  
CORPORATE OFFICES**

1.1 **Business Office.** The principal office of the Corporation shall be located at 2560 Elizabeth Street, Salt Lake City, Utah 84106, or such other place within the State of Utah, as designated from time to time by the Board of Directors. The Corporation shall maintain at its principal office a copy of certain records, as specified in Section 2.14 of Article 2.

1.2 **Registered Office.** The registered office of the Corporation shall be located within the State of Utah and may be, but need not be, identical with the principal office (if located within the State of Utah). The address of the registered office may be changed from time to time.

**ARTICLE 2  
MEMBERS**

2.1 **Unit Owner Bound:** All unit owners are members of the Corporation and as such they and all mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities owned by the Corporation in any manner are subject to the terms of and shall abide by the Articles of Incorporation, these Bylaws, and all rules and regulations made pursuant hereto and any amendment thereof. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute and agreement that the provisions of the Articles of Incorporation and these Bylaws (any rules and regulations made pursuant thereto), as they may be amended from time to time, are accepted, ratified and will be complied with.

2.2 **Annual Meeting.** The annual meeting of members shall be held each year at the Forest Glen Clubhouse on the first Wednesday of May at 7:00 p.m. or at such other reasonable place, date and time as may be designated by the Board of Directors. At the meeting, directors may be elected and any other proper business may be transacted. If the election of directors shall not be held on the day designated herein for the annual meeting of the members, or at any

adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as may be convenient.

2.3 Special Meeting. Special meetings of the members may be called at any time by the President or by the Board of Directors. Special meetings of the members may also be called by written notice signed by not less than one-third ( $\frac{1}{3}$ ) of all members stating the issues proposed to be considered at the proposed special meeting and/or the purpose for which said special meeting is to be held, dated and delivered to the Corporation's secretary and all members not less than fifteen (15) days prior to the date fixed for said special meeting.

2.4 Place of Meetings. Meetings of members shall be held at the Corporation's Business Office or at such other reasonable place in Salt Lake County, Utah, as may be designated by the Board of Directors.

2.5 Notice of Meetings. Except as otherwise provided herein, written or printed notice stating the place, date and hour of the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary or the officer or persons calling the meeting, to each member of record entitled to vote at such meeting or to any other member entitled by the Act or the Articles of Incorporation to receive notice of the meeting. Notice shall be deemed to be effective at the earlier of: (1) when deposited in the United States mail, addressed to the member at his address as it appears on the Corporation's List of Owners, with postage thereon prepaid; (2) on the date shown on the return receipt if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; (3) when received; or (4) five (5) days after deposit in the United States mail, if mailed postage prepaid and correctly addressed to an address other than that shown in the Corporation's current record of members. If no address is registered with the Association, a member's Unit address shall be deemed to be the member's registered address for purposes of notice in this Section 2.5. If any members' meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, and place, if the new date, time, and place is announced at the meeting before adjournment and if the meeting is to take place within 30 days. But if a new record date for the adjourned meeting is, or must be fixed (see Section 2.8 of this Article 2) the notice must be given pursuant to the requirements of this Section 2.5, to those persons who are members as of the new record date.

2.6 Waiver of Notice/Objection. A member may waive notice of the meeting (or any notice required by the Act, Articles of Incorporation, or Bylaws) by a writing signed by the member entitled to the notice, which is delivered to the Corporation (either before or after the date and time stated in the notice ) for inclusion in the minutes or filing with the Corporation records.

A member's attendance at a meeting:

(a) waives objection to lack of notice or defective notice of the meeting, unless the member at the beginning of the meeting objects to holding the meeting or the transaction of any business at the meeting; and

(b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member objects to considering the matter when it is presented.

Notwithstanding any other provision set forth in this Section 2.6, all inaccuracies and irregularities in calls or notices of meetings and in the manner of voting, form of proxies and the method of ascertaining members present shall be deemed waived if no objection is made either at the meeting or within thirty (30) days of the date of the meeting.

2.7 Special Requirements for Notice of Meeting. If a purpose of any member meeting is to consider either: (1) a proposed amendment to the Articles of Incorporation (including any restated articles requiring member approval); (2) a plan of merger or share exchange; (3) the sale, lease, exchange or other disposition of all, or substantially all of the Corporation's property; (4) the dissolution of the Corporation; or (5) the removal of a director, the notice must so state and be accompanied by respectively a copy or summary of the: (1) articles of amendment; (2) plan of merger or share exchange; and (3) a description of the transaction for disposition of all or substantially all of the Corporation's property. If the proposed corporate action creates dissenters' rights, the notice must state that members are, or may be entitled to assert dissenters' rights, and must be accompanied by the related, relevant and appropriate part(s) of the Act.

2.8 Fixing of Record Date. For the purpose of determining members entitled to notice of or to vote at any meeting of members, or members entitled to take action without a meeting, or in order to make a determination of members for any other property purpose, the Board of Directors may fix in advance a date as the record date. Such record date shall not be more than 70 days prior to the date on which the particular action, requiring such determination of members, is to be taken. If no record date is so fixed by the board, the record date for determination of such members shall be at the close of business on:

(a) with respect to an annual members' meeting or any special members' meeting called by the board or any person specifically authorized by the board or these Bylaws to call a meeting, the day before the first notice is delivered to members;

(b) with respect to a special members' meeting demanded by the members, the date the first member signs the demand; and

(c) with respect to actions taken in writing without a meeting (pursuant to Article 2, Section 2.13), the date the first member delivers to the Corporation a writing upon

which the action is to be taken. When a determination of members entitled to vote at any meeting of members has been made as provided in this section, such determination shall apply to any adjournment thereof unless the Board of Directors fixes a new record date which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

2.9 Voting List. The officers of the company shall prepare a list of the names of all of the members who are entitled to be given notice of the meeting. The list must show the address of each member. The members' list must be available for inspection by any member, beginning on the earlier of ten (10) days before the meeting for which the list was prepared or two business days after notice of the meeting is given and continuing throughout the meeting and any meeting adjournments, at the Corporation's principal office. A member or member's agent or attorney is entitled on written demand to the Corporation and, subject to requirement of any other section of these Bylaws or by any applicable sections of the Act to inspect and copy the list, during regular business hours and during the period it is available for inspection. The Corporation shall make the members' list available at the meeting, and any member, or any members' agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment, for any purposes germane to the meeting.

2.10 Member Quorum. The presence in person or by proxy at any meeting of at least fifty-one percent (51%) of the members in response to notice of all members of record properly given, as provided above, shall constitute a quorum – ballots received by mail shall be considered for purposes of establishing the presence of a quorum. In the event that at least fifty-one percent (51%) of all members are not present in person or by proxy, the meeting shall be adjourned for twenty-four (24) hours, at which time it shall reconvene and any number of members present at such subsequent meeting will constitute a quorum. Unless otherwise expressly provided in the Articles of Incorporation or the Bylaws, any action may be taken at any meeting of the members upon a majority vote of the members who are present in person or by proxy and who are voting.

2.11 Proxies. At all meetings of members, a member may vote in person, or vote by proxy which is executed in writing by the member or which is executed by his duly authorized attorney-in-fact, or by a written statement of the appointment transmitted by telegram, teletype, or other electronic transmission along with written evidence from which it can be determined that the member transmitted or authorized the transmission of the appointment. Such proxy shall be filed with the secretary of the Corporation or other person authorized to tabulate votes before or at the time of the meeting. No proxy shall be valid after 11 months from the date of its execution unless otherwise provided in the proxy and no entity or person may function as proxy for more than two (2) members.

2.12 Votes; Corporation's Acceptance of Votes. With respect to each matter submitted to a vote of the members, each member entitled to vote at the meeting shall have the right to cast, an owner may vote in person, by mail (on the ballot prepared by the Corporation, which ballot must bear the unit no. and signature of the owner, if received by the Secretary of Corporation

prior to the scheduled time of the meeting), or by proxy, the number of votes appertaining to that member's Unit, as show in the Declaration. The affirmative vote of a majority of the votes entitled to be cast by the members present (in person or by mail) or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by the members, unless a greater proportion is required by the Articles, these Bylaws, the Declaration, or the Act. When more than one Person owns an interest in a Unit, such persons shall designate to the Association, in writing, a representative who shall exercise the vote for such Unit on behalf of all co-owners of the Unit. In no event shall fractional votes be exercised in respect to any Unit.

If the name signed on a vote, ballot, consent, waiver, or proxy appointment corresponds to the name of a member, the Corporation, if acting in good faith, is entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the member. The Corporation is entitled to reject a vote, consent, waiver, or proxy appointment if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the member. The Corporation and its officer or agent who accepts or rejects a vote, consent, waiver, or proxy appointment in good faith and in accordance with the standards of this section are not liable in damages to the member for the consequences of the acceptance or rejection. Corporate action based on the acceptance or rejection of a vote, consent, waiver, or proxy appointment under this section is valid unless a court of competent jurisdiction determines otherwise.

2.13 Member Action Without a Meeting. Any action, including the election of directors, which may be taken at any annual or special meeting of the members may be taken without a meeting and without prior notice, if one or more consents in writing, setting forth the actions so taken, shall be signed by the number of members that will be necessary to authorize or take the action in a meeting at which all shares entitled to vote thereon were present and voted. Unless the written consents of all of the members entitled to vote have been obtained, notice of any member approval without a meeting shall be given at least ten days before the consummation of the action authorized by the approval to: (i) those members entitled to vote who have not consented in writing, and (ii) those members not entitled to vote and to whom the Act requires a notice of the above action be given. The notice must contain or be accompanied by the same material that would have been required to be sent in a notice of a meeting at which the proposed action would have been submitted to the members for action.

2.14 Member's Right to Inspect Corporate Records. The Corporation shall keep as permanent records minutes of all meetings of its members and Board of Directors, a record of all actions taken by the members or Board of Directors without a meeting, a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Corporation and records of all waiver of notice of meeting of members, Board of Directors and committees of directors. The Corporation shall maintain appropriate accounting records. If a member gives the Corporation written notice of his or her demand at least five business days before the date on which he or she wishes to inspect and copy the below listed records, the



member (or his agent or attorney) has the right to inspect and copy, during regular business hours, any of the following records, all of which the Corporation is required to keep at its principal office:

- (a) the Articles or restated Articles of Incorporation and all amendments to them currently in effect;
- (b) the Bylaws or restated Bylaws and all amendments to them currently in effect;
- (c) the minutes of all members' meetings, and records of all action taken by members without a meeting, for the past three years;
- (d) all written communications to members generally within the past three years, including the financial statements furnished for the past three years to the members;
- (e) a list of the names and business addresses of its current directors and officers; and,
- (f) the most recent annual report delivered to the Secretary of State.

In acquisition, if a member gives the Corporation a written demand made in good faith and for a proper purpose at least five business days before the date on which he or she wishes to inspect and copy the below described records, and if the member describes with reasonable particularity his or her purpose and the records the member desires to inspect, and the records are directly connected with his or her purposes, the member of the Corporation (or his agent or attorney) is entitled to inspect and copy, during regular business hours at a reasonable location specified by the Corporation, any of the following records of the Corporation:

- (i) excerpts from minutes of any meeting of the Board of Directors, records of any action of a committee of the Board of Directors on behalf of the Corporation, minutes of any meeting of the members, and records of action taken by the members or Board of Directors without a meeting, to the extent not subject to inspection hereunder;
- (ii) accounting records of the Corporation; and
- (iii) the record of members (compiled no earlier than the date of the member's demand).

The right to copy records includes, if reasonable, the right to receive copies made by photographic, xerographic, or other means. The Corporation may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the member. The charge may not exceed the estimated cost of production or reproduction of the records. For

purposes of this Section 2.14, the term "member" shall include a beneficial owner whose shares are held in a voting trust or by a nominee on his behalf.

2.15 Financial Statements. Upon the written request of any member, the Corporation at its own expense shall mail to the member the Corporation's most recent annual or quarterly financial statements showing in reasonable detail its assets, liabilities and the results of its operations.

### ARTICLE 3 BOARD OF DIRECTORS

3.1 General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of, the Board of Directors, subject to any limitation set forth in the Articles of Incorporation. The Board of Directors shall have all the powers, duties, and responsibilities as are or may hereafter be provided by the Act, the Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions of The Condominium Forest Glen Homeowners' Association and these Bylaws. Among other things and in discharge of these general powers, without limiting the generality of the foregoing, the Board shall have authority, as follows:

(a) To adopt and amend from time to time, by affirmative vote of a majority of the members of the Board, appropriate Rules and Regulations governing the occupancy, use, maintenance, and operation of all units, common areas and facilities comprising The Condominium Forest Glen Development for any reasonable purpose, and to make such other rules as permitted by the Articles of Incorporation and these Bylaws including, without limitation, provision and restrictions upon pets, charges and interest to be collected on delinquent assessment accounts and to enforce such rules by action authorized by the Articles of Incorporation, these Bylaws and Utah law. With the adoption of these Rules and Regulations by the Board all owners and future owners of The Condominium Forest Glen Development shall be bound by said Rules and Regulations. The House Rules and Regulations promulgated by the Board shall also be binding upon all lessees and future lessees of the owners/members. The Board shall have all authority and rights to initiate legal action or otherwise enforce the House Rules and Regulations.

(b) The Board shall have authority to enter into insurance contract(s) or policy(ies) to protect the Corporation and the owners so far as their interest in the common areas of The Condominium Forest Glen Development are concerned against loss by fire or any other insurable hazard, and shall have the power to fix the amount of such insurance. The Board shall have the power to secure all necessary insurance covering public liability risks and other risks and to set the amount of said policies. In the event of any loss covered by insurance secured by the Corporation, the Board shall make claim for such loss and shall take all legal steps to enforce payment for such loss from the insurance company(ies). It shall have the power to determine damage and make necessary adjustments as required by the situation. However, any appraisal of

damage or adjustment concerning loss shall not prejudice the rights of individual owners as to any loss suffered by such individual owner.

(c) To engage the services of a manager or managing company, accountants, attorneys, or other employees or agents and to pay to said persons a reasonable compensation therefor. With regard to retaining management services, the Board may by written contract, delegate, in whole or in part, to a professional management organization or person such of its duties, responsibilities, functions and powers as are, in the exercise of the Board's judgment, properly delegable. Any management agreement must be terminable for cause upon sixty (60) days' notice, have a term not to exceed three (3) years, and may be renewed with consent of the manager and the Board.

(d) To operate, maintain, repair, improve and replace the common areas and facilities, to determine and pay the common expenses, to prepare an annual operating budget, and to assess and collect the proportionate share of common expenses from the members.

(e) To enter into contracts, deeds, leases, or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.

(f) To open bank accounts on behalf of the Association and to designate the signatures therefor.

(g) To purchase, hold, sell, convey, mortgage, or lease any one or more Units in the name of the Association or its designee.

(h) To borrow funds and enter into promissory notes and to approve and sign checks and issue payment vouchers.

(i) To sell portions of the common areas and facilities, and to create exclusive rights in members in certain limited common areas.

(j) To do all other acts incident to the discharge of the duties imposed on the Board under the Articles of Incorporation, these Bylaws and the Act and necessary for the operation and maintenance of the Corporation and its property, including the maintenance and repair of any Unit if the same is necessary to protect or preserve the Corporation's property or another member's property; provided, however, that the Board shall operate no other business for profit.

3.2 Number of Directors and Qualification. The Board of Directors shall consist of not less than the number of directors required by law and the Articles of Incorporation. The Board shall, at the sole discretion and election of the then-existing Board, consist of an odd number, between three (3) and seven (7), of directors, each of whom must either be an owner of a Unit or a spouse of an owner

3.3 Election and Term of Office. Directors shall, as necessary, be elected at each annual meeting of members or such other meeting of members duly noticed for that purpose to hold office for a period of two (2) years until the annual meeting or such other meeting of members duly noticed for the purpose of electing new directors in the third year of each respective director's term of service. If the number of directors is five (5) or greater, the directors shall be so elected that the terms of a bare majority, if there is an odd number of directors, or one-half of the directors, if there is an even number of directors, will expire in the even years and the remainder in the odd years. If the number of directors is six (6) or greater, the directors shall be so elected that the terms of at least two (2) and not more than three (3) directors, will expire every third year. Directors shall hold office until their successors have been elected and have qualified.

3.4 Regular Meetings. The Board of Directors may provide by resolution any reasonable date, time and place within the Salt Lake County, Utah, for the holding of regular meetings without notice other than such resolution.

3.5 Special Meetings. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by or at the request of the Chairman of the Board, the President, or any two (2) directors. The person or persons authorized to call special meetings of the Board of Directors may fix any reasonable date, time and place within the Salt Lake County, State of Utah, as the place for holding any special meeting of the Board of Directors.

3.6 Notice. Notice of the date, time and place of any special meeting shall be delivered personally or by telephone to each director or sent by first-class mail or telegram, charges prepaid, addressed to each director at that director's address as it is shown on the records of the Corporation. If the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. If the notice is delivered personally or by telephone or telegram, it shall be delivered personally or by telephone or to the telegraph company at least forty-eight (48) hours before the meeting begins. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office or home of the director who the person giving notice has reason to believe will promptly communicate it to the director. Any director may waive notice of any meeting by delivering written waiver with the Corporation to file in its corporate records, and attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where the director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and does not thereafter vote for or consent to action taken at the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors needs to be specified in the notice or waiver of notice of such meeting.

3.7 Quorum. A majority of the authorized number of directors as fixed in accordance with these Bylaws shall constitute a quorum for the transaction of business at any meeting of the

Board of Directors, but if less than a majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

3.8 Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall, unless the act of a greater number of directors is required by the Articles of Incorporation of the Corporation of these Bylaws, be the act of the Board of Directors.

3.9 Vacancies and Newly Created Directorships. Except as otherwise provided in this Section 3.9, any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum, or by the affirmative vote of the majority of members entitled to vote for directors. Any vacancy in the Board occurring by reason of removal of a Director by the members or if the authorized number of Directors shall be increased, such vacancies or newly created Board seats shall be filled by the members at the meeting at which such Director is removed or new Board seat is created. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

3.10 Presumption of Assent. A director who is present at a meeting of the Board of Directors when corporate action is taken is considered to have consented to the action taken at the meeting unless the director objects at the beginning of the meeting, or promptly upon arrival, to holding the meeting or transacting business at the meeting and does not thereafter vote for or consent to any action taken at the meeting, or the director contemporaneously requests his dissent or abstention as to any specific action to be entered into the minutes of the meeting, or the director causes written notice of a dissent or abstention as to a specific action to be received by the presiding officer of the meeting before adjournment of the meeting or by the Corporation promptly after adjournment of the meeting.

3.11 Resignations. A director may resign at any time by giving a written notice of resignation to either the Chairman of the Board of Directors, the President, a Vice-President, or the Secretary or Assistant Secretary, if any. Unless otherwise provided in the resignation, the resignation shall become effective when the notice is received by an officer or director of the Corporation. If the resignation is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

3.12 Action by Written Consent. Any action required to be taken at a meeting of the Board of Directors of the Corporation or any other action which may be taken at a meeting of the Board of Directors or of a committee, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, or all of the members of the committee, as the case may be. Such consent shall have the same legal effect as a unanimous vote of all the directors or members of the committee and may be described as such in any document. Action taken in this section is effective at the time the last director signs a writing describing the action taken, unless the Board of Directors establishes a different effective date.

3.13 Meetings by Telephone Conference Call. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or committee by means of conference telephone or similar communication equipment by which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at such meeting.

3.14 Removal of Directors. The members may remove one or more directors at a meeting called for that purpose if notice has been given that a purpose of the meeting is such removal. The removal may be with or without cause unless the articles provide that directors may only be removed with cause. If a director is elected by a voting group of members, only the members of that voting group may participate in the vote to remove him. If cumulative voting is not authorized, a director may be removed only if the number of votes cast to remove him exceeds the number of votes cast not to remove him.

3.15 No Liability. Members of the Board of Directors, the officers and any assistant officers, agents, and employees of the Corporation (i) shall not be liable to the members as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or gross negligence; (ii) shall have no personal liability in contract to a member or any other person or entity under any agreement, instrument, or transaction entered into by them on behalf of the Corporation in their capacity as such; (iii) shall have no personal liability in tort to any member or any person or entity, direct or imputed, by virtue of acts performed by them, or acts performed for them in their capacity as such; and (iv) shall have no personal liability arising out of the use, misuse, or condition of the Corporation's property, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

3.16 Indemnification.

(a) Generally. No director or officer shall be personally liable for any obligations of the Association or for any duties or obligations arising out of any acts or conduct of said Director or officer performed for or on behalf of the Association. The Association shall and does hereby indemnify and hold harmless each person who shall serve at any time as a Director or officer of the Association, as well as such person's heirs and administrators, from and against any and all claims, judgments and liabilities to which such persons shall become subject, by reason of that Director having heretofore or hereafter been a Director or officer of the Association or by reason of any action alleged to have been heretofore or hereafter taken or omitted to have been taken by such person as such Director or officer, and shall reimburse any such person for all legal and other expenses reasonably incurred in connection with any such claim or liability; provided that the Association shall have the power to defend such person from all suits or claims; provided further, however, that no such person shall be indemnified against or be reimbursed for or be defended against any expense or liability incurred in connection with any claim or action arising out of such person's intentional misconduct. The rights accruing to any person under the foregoing provisions of this Section shall not exclude any other right to which such person may

lawfully be entitled, nor shall anything herein contained restrict the right of the Association to indemnify or reimburse such person in any proper case, even though not specifically provided for herein or otherwise permitted. The Association, its Directors, officers, employees and agents shall be fully protected in taking any action or making any payment or in refusing so to do in reliance upon the advice of counsel.

(b) Other Indemnification. The indemnification herein provided shall not be deemed exclusive of any other right to indemnification to which any person seeking indemnification may be under any Bylaw, agreement, vote of disinterested Directors or otherwise, both as to action taken in any official capacity and as to action taken in any other capacity while holding such office. It is the intent hereof that all Directors and officers be and hereby are indemnified to the fullest extent permitted by the laws of the State of Utah and these Bylaws. The indemnification herein provided shall continue as to any person who has ceased to be a Director, officer or employee and shall inure to the benefit of the heirs, executors and administrators of any such person.

(c) Insurance. The Board, in its discretion, may direct that the Association purchase and maintain insurance on behalf of any person who is or was a Director, officer or employee of the Association or is or was serving at the request of the Association as a Director, officer, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise against any liability asserted against, and incurred by, such person in any such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against liability under the provisions of this Article III.

(d) Settlement by Association. The right of any person to be indemnified shall be subject always to the right of the Association by the Board, in lieu of such indemnity, to settle any such claim, action, suit or proceeding at the expense of the Association by the payment of the amount of such settlement and the costs and expenses incurred in connection therewith.

### 3.17 Committees.

(a) Designation of Committees. The Board may from time to time by resolution designate such committees as it may deem appropriate in carrying out its duties, responsibilities, functions and powers. The membership of each such committee designated hereunder shall include at least two (2) Committee Members. No committee member shall receive compensation for services rendered to the Association as a committee member; provided, however, that a committee member may be reimbursed for expenses incurred in performance of such duties as a committee member to the extent that such expenses are approved by the Board.

(b) Proceeding of Committees. The Board may designate one or more committees, each of which shall consist of two or more Committee Members. Each committee designated hereunder by the Board may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time

determine. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board.

(c) Quorum and Manner of Acting. At each meeting of any committee designated hereunder by the Board, the presence of members constituting at least a majority of the authorized membership of such committee (but in no event less than two members) shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board hereunder shall act only as a committee, and the individual members thereof shall have no powers as such. A committee may exercise the authority of the Board subject to Section 16-6a-817 of the Act, as amended, or a similar provision then in effect.

(d) Resignation and Removal. Any member of any committee designated hereunder by the Board may resign at any time by delivering a written resignation to the President, the Board, or the presiding officer of the such committee. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board may at any time, with or without cause, remove any member of any committee designated by it thereunder.

(e) Vacancies. If any vacancy shall occur in any committee designated by the Board due to disqualification, death, resignation, removal, or otherwise, the remaining members shall, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided that two or more members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board.

3.18 Audit. The Board shall from time to time, but not less than every three (3) years, retain the services of a competent, independent, and qualified certified public accountant or professional auditor for the purpose of reviewing the Association's finances and auditing the Association's books and financial records.

#### ARTICLE 4 OFFICERS

4.1 Designation of Officers. The officers of the Association shall be the same officers as the officers of the Board of Directors. The officers shall be a President, Vice President, Secretary, and Treasurer. The Board may appoint other assistant officers as the Board may deem necessary. The offices of President and Secretary may not be held by the same person. No officer shall receive compensation for serving as such. An officer may hold an office for as many terms as the Board may determine. The Board may, in its discretion, require that officers (and other employees of the Corporation) be subject to fidelity bond coverage. Each officer may from time to time, as he/she deems appropriate under the supervision of the Board and at the Board's sole discretion and election delegate his/her duties to qualified persons or entities. Resignation of any officer shall be in writing directed to the Board which shall act promptly thereon.



4.2 Election, Tenure and Qualifications. The officers of the Association shall be chosen by the Board annually at a regular meeting of the Board. In the event of failure to choose officers at such regular meeting of the Board, officers may be chosen at any regular or special meeting of the Board. Each such officer (whether chosen at a regular meeting of the Board or otherwise) shall hold such office until the next ensuing regular meeting of the Board and until a successor has been chosen and qualified, or until such officer's death, or until resignation, disqualification or removal in the manner provided in these Bylaws, whichever first occurs. Any person may hold any two or more of such offices, except that the President may not also be the Secretary. No person holding two or more offices shall act in or execute any instrument in the capacity of more than one office. The President, Vice President, Secretary and Treasurer shall be and remain Directors during the entire term of their respective offices. No other officer need be a Director.

4.3 Resignations. Any officer may resign at any time by delivering a written resignation to the Board of Directors, the President, or the Secretary. Unless otherwise specified therein, such resignation shall take effect upon such delivery of the resignation; and, unless otherwise specified in the resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

4.4 Removal. Any officer may be removed by the Board of Directors or by a committee, if any, if so authorized by the Board of Directors, whenever in its judgment the best interest of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4.5 Vacancies and Newly Created Offices. A vacancy in any office by reason of death, resignation, removal, disqualification, the creation of a new office or otherwise, may be filled by the Board of Directors at any regular or special meeting pursuant to Article 3 (including Article 3.8) hereof, or by the unanimous written consent of the directors.

4.6 President. Unless the Board of Directors shall otherwise determine, the President shall be the chief executive officer of the Corporation, and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business, officers, employees and agents of the Corporation. The President shall, when present, preside at meetings of the members and at all meetings of the Board of Directors except as provided otherwise by the Board of Directors. The President shall have the general powers and duties of management usually vested in the office of President of a Corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

4.7 Vice President. If appointed, in the absence of the President or in the event of his death, inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their appointment) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. (If there is no Vice President, then the Treasurer shall perform such duties of the President.) Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

4.8 Secretary. The Secretary shall keep or cause to be kept, at the principal executive office of the Corporation or such other place as the Board of Directors may direct, a book of minutes of the proceedings of all meetings of, and a record of all actions taken by, the Board of Directors, committees of directors and members of the Corporation. The Secretary shall cause all notices of meetings to be duly given in accordance with the provisions of these Bylaws and as required by statute. The Secretary shall see that the books, reports, statements, and other documents and records required by statute are properly kept and filed. The Secretary shall have charge of the stock books of the Corporation and cause the stock and transfer books to be kept in such manner as to show at any time the amount of the stock of the Corporation issued and outstanding, the manner in which and the time when such stock was paid for, the alphabetically arranged names and the addresses of the holders of record thereof, the number of shares held by each member, and the time when each became such holder of record; and shall exhibit at all reasonable times to any director, upon application, the original or duplicate stock register. The Secretary shall cause the stock books to be kept and exhibited at the principal office of the Corporation in the manner and for the purposes provided by law and these Bylaws. The Secretary shall cause the List of Owners to be kept and exhibited at the principal office of the Corporation. The Secretary shall perform all duties incident to the office of Secretary and such other duties as are given to him or her by law or these Bylaws or as from time to time may be assigned by the Board of Directors.

4.9 Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and shares. The books of account shall at all reasonable times be open to inspection by any director. The Treasurer shall deposit all money and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, shall render to the President and directors, whenever they request it, an account of all of transactions taken as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

ARTICLE 5  
EXECUTION OF INSTRUMENTS, BORROWING  
OF MONEY AND DEPOSIT OF CORPORATE FUNDS

5.1 Instruments. The Board of Directors may authorize any officer, agent, or agents, to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the Corporation, and such authority may be general or confined to specific instances.

5.2 Loans. No loan or advance shall be contracted on behalf of the Corporation, no negotiable paper or other evidence of its obligation under any loan or advance shall be issued in its name, and no property of the Corporation shall be mortgaged, pledged, hypothecated, transferred, or conveyed as security for the payment of any loan, advance, indebtedness, or liability of the Corporation, unless and except as authorized by the Board of Directors. Any such authorization may be general or confined to specific instances.

5.3 Deposits. All monies of the Corporation not otherwise employed shall be deposited from time to time to its credit in such banks or trust companies or with such bankers or other depositories as the Board of Directors may select, or as from time to time may be selected by any officer or agent authorized so to do by the Board of Directors.

5.4 Checks, Drafts, etc.. All checks, drafts, acceptances, notes, endorsements, and, subject to the provisions of these Bylaws, evidences of indebtedness of the Corporation shall be signed by the President or Vice President and one other officer of the Corporation or in such other manner as the Board of Directors from time to time may determine. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositories shall be in such manner as the Board of Directors from time to time may determine.

ARTICLE 6  
TRANSFER OF MEMBERSHIP

6.1 Transfer of Membership. Transfers of membership(s) in the Corporation shall be made only upon membership books of the Corporation kept at an office of the Corporation.

6.2 Restrictions on Transfer of Membership. The Board of Directors and/or the members may, as they may deem expedient, impose restrictions on the transfer of membership in the Corporation. The restriction shall effect all members as of the date said restriction is adopted without regard to whether a particular member voted in favor of the restriction or otherwise consented to the restriction.

ARTICLE 7  
NOTICES, WAIVER OF NOTICE

Except as expressly provided to the contrary in the Articles of Incorporation or these Bylaws, any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered upon being deposited in the United States mails, postage prepaid. Notice to members shall be addressed to each member at the address given by such member to the Board of Directors for the purpose of service of such notice or to the Unit of such member if no such address is given to the Board. Such address may be changed from time to time by notice in writing to the Board. Notice to the Board shall be addressed to its current presiding officer. Any member may at any time waive any notice required to be given under these Bylaws, or by statute or otherwise. The presence of a member in person at any meeting of the members shall be deemed such a waiver.

ARTICLE 8  
MAINTENANCE AND INSPECTION OF BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members and Board of Directors; and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its members, giving the names and addresses of all members and the number of the shares held by each. Any member shall have the right to examine in person the Corporation's books and records as provided for in these Bylaws.

ARTICLE 9  
MISCELLANY

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

9.1 Fiscal Year. The fiscal year of the Association shall begin on the 1<sup>st</sup> day of January each year and end on the 31<sup>st</sup> day of December.

9.2 Seal. The Board may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation, and the words "Corporate Seal."

9.3 No Waiver. The failure of the Board of Directors, or its agents or designees, to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of the Articles of Incorporation, these Bylaws or any rules and regulations promulgated hereunder, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or relinquishment, for the future, of such term, covenant, condition, or restriction; but such term, covenant, condition, or restriction shall remain in full force and effect. The receipt and acceptance by the

Board or its agents or designees of the payment of any assessment from a member, with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board.

9.4 Amendment. These Bylaws may be amended by a two-thirds (2/3) affirmative vote of the members at a meeting duly called for such purpose. Such action shall not be effective unless and until a written instrument setting forth (a) the amended, altered, repealed or new bylaw, (b) the number of votes cast in favor of such action, and (c) the total votes of the Association or Board, shall have been executed and verified by the current President of the Association and recorded in the office of the County Recorder of Salt Lake County, Utah.

9.5 Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provisions hereof.

9.6 Headings. The headings herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws nor the intent of any provision hereof.

APPROVED this 6<sup>th</sup> day of July, 2004.

LH Michels  
L H Michels, President

Bona Jo Gudmundson  
Bona Jo Gudmundson, Secretary

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