

**Amended Bylaws of**

**Highlands**

**at the Ranches**

**Homeowners Association**

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## **Bylaws of Highlands at the Ranches Homeowners Association**

Pursuant to the provisions of the Utah Revised Non-profit Corporation Act and the Utah Community Association Act, the Board of Trustees of the Anthem at the Ranches Homeowners Association, Inc., a Utah nonprofit corporation, doing business as Highlands at the Ranches Homeowners Association, hereby adopts the following Bylaws for such nonprofit corporation.

### **Article I**

#### ***PLAN OF LOT OWNERSHIP***

##### **Section 1: Name and Location**

The name of the nonprofit corporation is Anthem at the Ranches Homeowners Association, Inc., doing business as Highlands at the Ranches Homeowners Association (the "Association"). The Project is a community of single family lot owners that has been subjected to the Declaration of Covenants, Conditions and Restrictions for Anthem at the Ranches recorded in the Recorder's Office of Utah County, Utah, as amended from time to time. The principal office of the Association shall be in a location as determined from time to time by the Board.

##### **Section 2: Purposes**

This Association is formed to serve as a means through which the Owners may take action with regard to the administration, management and operations of the Project, the properties and lots therein.

##### **Section 3: Applicability of Bylaws**

The Association, all Owners and all persons using the Project shall be subject to these Bylaws and to all rules and regulations which may be adopted pursuant to the Declaration and these Bylaws.

##### **Section 4: Definitions**

The definitions contained in or adopted by the Declaration shall be applicable to these Bylaws.

### **Article II**

#### ***MEMBERSHIP AND VOTING RIGHTS***

##### **Section 1: Membership and Voting**

The Members of the Association ("Members") shall be the Owners. The Board shall maintain a list of Owners which shall be updated on a regular basis. Disputes over the membership list shall be resolved by reference to the official records of the Utah County Recorder's Office. At any meeting of the Association, each Member shall be entitled to the votes as provided in Section 9.02 of the Declaration(s). Cumulative voting shall not be allowed.

The Board of Trustees shall be entitled to vote on behalf of any Lot which has been acquired by or on behalf of the Association, except the Board, shall not be entitled to vote such Lots in any election of directors.

**Section 2: Notices**

In any circumstance where written notice is required to be given to the Members, the Association may provide notice by electronic means, including text message, email, or website of the Association, if the Board deems the notice to be fair and reasonable. A Member may require the Association, by written demand, to provide notice to the homeowner by mail. Any mailed notice which is addressed to the Member's Lot or to the address supplied by such Member to the Association for the purpose of notice shall be sufficient and deemed received by the Member. The Board is authorized to promulgate rules and procedures facilitating the implementation of this section as it deems fit from time to time, including requiring Members to furnish the Association with a current email address. In all cases, notice that a rule or design criterion change or addition will be considered at a Board meeting shall be deemed to have been properly delivered to all members if such notice is posted on the Association website at least 15 days in advance of the meeting.

**Section 3: Affairs, Electronics Means**

Any transaction or action involving the business or affairs of the Association, including but not limited to voting and providing notice or records, may be conducted by electronic means. The Association may accept a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation as the act of the member if the Board does so in good faith and has no reason to believe it is not the act of the member. A writing may be delivered in an electronic medium or by electronic transmission, and may be signed by photographic, electronic, or other means. An electronic record or electronic signature is attributable to a person if it was the act of the person. An electronic signature may consist of a mark, symbol, character, letter, or number or any combination thereof attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record and the same shall be considered the signature of such person. A writing includes any document, record, vote, ballot, proxy, or instrument required or permitted to be transmitted by a Member or by the Association.

**Article III*****MEETING OF MEMBERS*****Section 1: Annual Meetings**

The annual meetings of the Association shall be held annually at a place and time as may be designated by the Board.

**Section 2: Special Meetings**

The Association, by and through the Board, shall notice, hold and conduct a special meeting of its Members: (i) on call of the President or a majority of the Board, or (ii) upon receipt of a written request signed by Members representing not less than thirty percent (30%) of the total voting power of the Association. "Voting Power" means the total number of votes of Members whose membership at the time of the determination, of voting power is made has not been suspended in accordance with the provisions of the Declaration(s). Voting power shall be computed by including all such Members whether or not such Members are present in person at a meeting.

**Section 3: Notice of Meetings**

Written notice (See Article 13.1) shall be given for each meeting of Members by providing a copy of such notice, at least ten (10) but not more than thirty (30) days before such meeting, to each Member entitled to vote. Such notice shall specify the place, date and hour of the meeting and (i) in the case of a special meeting, the general nature of the business to be undertaken, and (ii) in the case of a regular meeting, those matters which the Board, at the time the notice is given, intends to present for action by the Members, but any proper matter may be presented at a regular meeting for such action.

For the purpose of determining Members entitled to notice of or to vote at any meeting of the members, the Board may designate a record date, which shall be not more than thirty (30) and not less than one (1) day prior to the meeting, for determining such members. If no such record date is designated, the date on which notice is mailed shall be deemed to be the record date for determining Members entitled to notice of or to vote at any such meeting of the Members.

**Section 4: Quorum**

A "Quorum" means the minimum number of Members (when duly assembled or represented by proxy at a meeting or casting a written ballot in an action without a meeting) necessary to make the proceeding valid. At any regular annual meeting of the Association, the Members that are represented for any purpose at the annual meeting shall constitute a quorum, except for matters requiring a higher quorum as provided in the Declaration or these Bylaws. For any other meeting of the Association or action taken without a meeting, and except as otherwise provided in the Declaration or these Bylaws, Members holding one-third (1/3) of the voting rights, represented in person, by proxy, or by written ballot (See Article 13), shall constitute a quorum. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

In the absence of a quorum, the Members entitled to vote at such meeting shall have the power to adjourn the meeting to another time without notice (other than announcement at the meeting). Any adjournment for lack of quorum shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date.

**Section 5: Location**

Meeting of the Members shall be held at a location specified by the Board.

**Section 6: Manner of Acting**

Action on a matter other than the election of directors is approved if a quorum exists and the votes cast favoring the action exceed the votes cast opposing the action, unless a greater number of affirmative votes is required by law or the Declaration or these Bylaws.

**Section 7: Proxies**

- A. At each meeting of the Members, each Member entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Member himself or by his attorney thereunto duly authorized in writing.

- B. If a membership is jointly held, the instrument authorizing a proxy to act must have been executed in writing.
- C. The instrument authorizing a proxy to act shall be delivered prior to the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting or Management.
- D. The secretary of the meeting shall enter a record of all proxies in the minutes of the meeting. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy; however, no proxy may be valid for more than eleven (11) months after the date of execution.

### **Section 8: Action by Ballot in Lieu of a Meeting**

At the discretion of the Board, any action, except removal of a Director, which may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Member that is entitled to vote on the matter. Members shall be provided a fair and reasonable amount of time before the day on which the Association must receive ballots in order to be counted, which in no case shall be less than ten (10) days.

- A. Form and Effect of Ballot. The written ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action. A written ballot may not be revoked.
- B. Information Required in Ballot Solicitations. All solicitations for votes by written ballot must state the number of responses needed to meet any applicable quorum requirements and the total percentage of votes needed for approval and specify the period during which the Association will accept written ballots for counting, which period shall end on the earliest of the following unless the vote is pursuant to the secrecy procedure described in these Bylaws.
- C. Secrecy Procedure. The Board may elect to conduct a vote pursuant to this section by a secrecy procedure whereby a written ballot is accompanied by: (i) A secrecy envelope; (ii) A return identification envelope to be signed by the Member; and (iii) Instructions for marking and returning the ballot.
- D. Determination of Vote. The outcome of a vote by written ballot in lieu of a meeting shall be determined by the Board within seventy-two (72) hours of the deadline for return of ballots, as follows:
  1. If approval of a proposed action would otherwise require a meeting at which a certain quorum must be present and at which a certain percentage of total votes cast is required to authorize the action, the proposal will be deemed to be approved if, on the date for return of ballot, a quorum of Members has voted and the required percentage of approving votes has been received. Otherwise, the proposal shall be deemed to be rejected.
  2. Except as provided in Subsection 8.D.(3), votes may be counted from time to time before the final return date.

3. Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

E. The Board shall notify each Member within twenty (20) days after the ballots have been counted, by mail, e-mail, newsletter, common area posting, or other method reasonably calculated to provide notice, of the results of the vote or that a quorum of ballots was not returned.

**Section 9: Action Without Notice and a Meeting**

Any action required to be taken or which may be taken at a meeting of Members may be taken without a meeting and without prior notice if one or more written consents, setting forth the action so taken, are signed by Members having not less than the minimum voting power that would be necessary to authorize or take the action at a meeting at which all Members entitled to vote on the action were present and voted. All such writings must be received by the Association within a sixty day period. Any such writings may be received by the Association by electronically transmitted facsimile or other form of communication providing the Association with a complete copy thereof, including a copy of the signature thereto. Action taken pursuant to this section shall be effective when the last writing necessary to effect the action is received by the Association, unless the writings describing and consenting to the action set forth a different effective date. Any change in ownership of a Lot which occurs after consent has been obtained from the Member having an interest therein shall not be considered or taken into account for any purpose.

**Section 10: Waivers of Notice**

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 waiver.

**Article IV**

***BOARD OF TRUSTEES***

**Section 1: Number**

The affairs of the Association shall be managed and governed by a Board of not less than three(3) no more than five(5) Trustees, who shall be Members of the Association (or the spouses of such persons), except that a partner, employee, officer, or director of any entity that is an Owner, or the beneficial Owner of Lots held in the name of fiduciaries (or the spouses of such persons) shall be eligible to serve as a Trustee.

**Section 2: Term of Office**

The term of office for Board members shall be two (2) years.

**Section 3: Removal**

At any annual or special meeting (and only at a meeting) any one or more of the Board members may be removed, with or without cause, by a majority of the Members present in person or by proxy, at a duly constituted meeting where a quorum of fifty percent (50%) of the Members are present. A successor may be elected at that meeting to fill the vacancy thus created. The



notice of the meeting must state that the removal is to be considered and any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

The Board may remove a member of the Board for the following reasons by the vote of a majority of all Board members then in office: (i) delinquency in Assessment payments exceeding ninety (90) days; (ii) suing, or being sued by, the Association or the Board or any members of the Board or of the Association; or (iii) absence from three (3) consecutive regular meetings of the Board. The vacancy shall be filled as provided in Article 5 Section 3 below. In the event of death, resignation or removal of a Trustee, his successor shall serve for the unexpired term of his predecessor. See Utah Code 16-6a-808.

#### **Section 4: Compensation**

No Trustee shall receive compensation for any service he may render to the Association. However, any Trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

### **Article V**

#### ***NOMINATION AND ELECTION OF TRUSTEES***

##### **Section 1: Nomination**

Nomination for election to the Board may be made by a nominating committee appointed by the Board prior to the annual meeting. The nominating committee, if one is appointed, shall consist of a chairman, who shall be a member of the Board, and two or more Members. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies to be filled. Nominations may also be made from the floor at the annual meeting.

##### **Section 2: Election**

At each annual meeting, the Members shall elect successor Trustees for Trustees whose term have expired.

##### **Section 3: Vacancies**

Any vacancy on the Board caused by death, disability, resignation or increase in the number of Trustees or removal by the Board may be filled by appointment by a majority of the remaining Trustees or by the sole remaining Trustee. Any vacancy on the Board caused by removal of a Trustee by the Members shall be filled by election of the Members.

### **Article VI**

#### ***MEETINGS OF TRUSTEES***

##### **Section 1: Regular Meetings**

Regular meetings of the Board shall be held from time to time and at such time and place as shall be determined by the Board, but no less often than yearly.

**Section 2: Special Meetings**

Special Meetings of the Board shall be held when called by written notice signed by the president of the Association or by any two (2) Trustees other than the president. The notice shall specify the time and place of the meeting and needs to specify the nature of any special business to be considered. The notice shall be sent to all Trustees not less than forty-eight (48) hours before the scheduled time. Attendance by a member of the Board at a meeting shall constitute a waiver of notice of such meeting except if a Trustee attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the members of the Board are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**Section 3: Quorum**

A majority of the number of Trustees then in office shall constitute a quorum for the transaction of business. Every action or decision done or made by a majority of the Trustees present at a duly held meeting at which a quorum is present shall be the act of the Board, but if less than a quorum is present at a meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice.

**Section 4: Open Meetings**

Except as provided in Section 6 below, all meetings of the Board shall be open to Members. At each meeting, the Board shall provide each Member a reasonable opportunity to offer comments. The Board may limit the comments to one specific time period during the meeting. Beyond such comment period, no Member shall have a right to participate in the Board meeting unless the Member is also a member of the Board. The President or Board shall have the authority to exclude a Member who disrupts the proceedings at a Board meeting. The Board may adopt policies governing meetings of the Board from time to time, including policies to reflect current Utah law (which Utah law may change more frequently than these Bylaws). If such Utah law supersedes any provision of these Bylaws, the policy adopted by the Board shall also supersede these Bylaws to the extent the policy restates then current Utah law. "Meeting" means a gathering of a Board, whether in person or by means of electronic communication in real time under Section 8 below, at which the Board can take binding action.

**Section 5: Notice of Board Meeting to Members**

At least 48 hours before a Board meeting, the Association shall give written notice of the meeting via e-mail to each member who requests notice of a Board meeting ("Meeting Notice"), unless notice of meeting is included in a meeting schedule that was previously provided to the Member, or the meeting is to address an emergency, and each Board member receives notice of the meeting less than 48 hours before the meeting. A Meeting Notice shall: (i) be delivered to the Member by email, to the email address that the Member provides to the Association; (ii) state the time and date of the meeting; (iii) state the location of the meeting; and (iv) if a Board member may participate by means of electronic communication under Section 8 below, provide the information necessary to allow the Member to participate by the available means of electronic communication.

**Section 6: Executive Sessions**

In the discretion of the Board, the Board may close a Board meeting and adjourn to executive session to: (i) consult with an attorney for the purpose of obtaining legal advice; (ii) discuss

ongoing or potential litigation, mediation, arbitration, or administrative proceedings; (iii) discuss a personnel matter; (iv) discuss a matter relating to contract negotiations, including review of a bid or proposal; (v) discuss a matter that involves an individual if the discussion is likely to cause the individual undue embarrassment or violate the individual's reasonable expectation of privacy; or (vi) discuss a delinquent assessment or fine.

### **Section 7: Executive Session Procedure**

Except in the case of an emergency, the Board shall vote in an open meeting whether to meet in executive session. If the Board votes to meet in executive session, the President or other presiding officer shall state the general nature of the action to be considered and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to Members. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting.

### **Section 8: Meetings by Electronic Communication in Real Time**

In the event of an emergency, or by decision of the Board, and to the fullest extent allowed by law, meetings of the Board may be conducted by means of electronic communication that allows all members of the Board participating to be able to communicate orally in real time.

### **Section 9: Action Taken Without a Meeting**

The Board shall have the right to take action in the absence of a meeting which it could have been taken at a meeting if:

- A. All members of the Board consent to the action in writing, or
- B. If less than all members of the Board consent to the action in writing, then: (i) if notice is given in writing to each member of the Board, (ii) if no Board member makes a written demand that the action be taken only at a meeting, and (iii) if each Board member, by the deadline stated in the notice, either votes for or against the action, abstains in writing for voting, or fails to respond or vote.
  1. Content of Notice. The notice required by Subsection 9B (the "Notice") shall state: (i) the action to be taken; (ii) the deadline by which a Board member must respond to the Notice; (iii) that failure to respond by the time stated in the Notice will have the same effect as abstaining in writing by the time stated in the Notice and failing to demand in writing by the time stated in the Notice that action not be taken without a meeting; and (iv) any other matters the Association determines to include.
  2. Electronic Transmission. A communication, including a vote, under this Section 9B may be delivered by an electronic transmission. An electronic transmission communicating a vote, abstention, demand, or revocation is considered to be written, signed, and dated for purposes of this Article if the electronic transmission is delivered with information from which the Association can determine that the electronic transmission is transmitted by the person (e.g., from a sender's known email account), and the date on which the electronic transmission is transmitted. The date on which an electronic transmission is transmitted is considered the date on which the vote, abstention, demand, or revocation is signed.

**Section 10: Waiver of Notice**

Any Board member may, at any time, waive notice of any meeting of the Board in writing, and the waiver shall be deemed equivalent to the giving of the notice. Attendance by a Board member at any meeting of the Board shall constitute a waiver of notice by the Board member, except where the Board member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all Board members are present at any meeting of the Board, no notice to Board members shall be required and any business may be transacted at the meeting.

**Article VII*****POWERS AND DUTIES OF THE TRUSTEES*****Section 1: Powers**

The Board shall have all the powers as are now or may hereafter be provided by the Act, the Declaration(s), the Articles, and these Bylaws, including but not limited to the power to:

- A. Adopt, publish and enforce Rules and Regulations governing the use of the Common Areas and any facilities thereon, and the personal conduct thereon of the Members, their employees, guests, invitees and tenants;
- B. After notice and opportunity to request a hearing by the Board, suspend an Owner's membership in the Association (i) for any period during which any assessment against such Member's Lot or any monetary penalty against an Owner remains unpaid; and (ii) for a period not to exceed thirty (30) days for any infraction of the Rules and Regulations or any violation of or failure to comply with the provisions of the Declaration(s) or these Bylaws;
- C. Enforce and carry out provisions of the Declaration(s), these Bylaws and the Articles, and exercise all rights of the Association and the Board set forth in the Declaration(s), these Bylaws and the Articles;
- D. Pay any taxes or assessments which are or could become a lien on the Common Areas or any portion thereof;
- E. Contract for fire and casualty, liability and other insurance;
- F. Incur and pay expenses on behalf of the Association and contract for goods and services for the Common Areas and any other real or personal property for which the Association may be responsible or as to which the Association may have duties and obligations;
- G. Delegate to committees, officers, employees and other agents of the Association reasonable powers to carry out the powers and duties of the Board, provided, however, that the Board shall not delegate the ultimate power to impose discipline against Members;
- H. Prepare and distribute budgets and financial statements of the Association;

- I. Enter upon any Lot, at reasonable hours, after 48 hours notice and with as little inconvenience to the Owners as possible, in connection with any work or thing required or permitted to be performed or done by the Association by these Bylaws, the Declaration(s) or the Rules and Regulations. In the event of emergency threatening injury to persons or property, or reasonable cause to believe there is such an emergency, the right of entry shall be immediate and may be exercised without notice and whether or not the Owner is present. The Association shall repair any damage caused by such entry;
- J. Employ a manager and such other employees as it deems necessary to carry out the powers and duties of the Association;
- K. Sell, transfer and convey the property of the Association; and
- L. Compromise, settle, release and otherwise adjust claims, demands, causes of action and liabilities on behalf of the Association and Owners, as the case may be, provided any such claim, demand, cause of action or liability arises out of or is related to a condition or defect common to all or a majority of the Lots or to the development, design, construction, condition, repair or maintenance of or damage or injury to or defect in the Common Areas or part thereof, and make and receive all payment or other consideration necessary therefore or in connection therewith. For such purposes, the Board shall be, and hereby is, irrevocably appointed attorney-in-fact to act on behalf of all Owners upon such terms and conditions and for such consideration as may be approved by a majority of the Board.

## **Section 2: Non-Liability**

A Trustee of the Board shall not be liable to the Members if he performs the duties of a Trustee, including the duties as a member of any committee of the Board upon which the Trustee may serve, in good faith, in a manner such Trustee believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a Trustee, a Trustee shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared and presented by:

- A. One or more officers or employees of the Association whom the Trustee believes to be reliable and competent in the matters presented;
- B. Counsel, independent accountants or other persons as to matters which the Trustee believes to be within such person's professional or expert competence; or
- C. A committee of the Board on which the Trustee does not serve, as to matters within its designated authority, which committee the Trustee believes to merit confidence; so long as, in any such case, the Trustee acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

**Section 3: Duties**

The Board shall:

- A. Cause to be kept a complete record of all its acts and corporate affairs;
- B. Supervise the officers, agents and employees of the Association in the proper performance of their duties;
- C. As more fully provided in the Declaration(s) and subject to any limitations contained therein, fix the amount of the annual assessment against each Lot;
- D. Issue, or to cause an appropriate officer to issue, upon demand by any person having a legitimate interest, a certificate setting forth whether or not any assessment has been paid, for which certificate a reasonable charge may be made by the Board;
- E. Adopt and publish rules and regulations governing the use of the Common Area and the Project, including any improvements and amenities located thereon, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- F. Procure and maintain liability insurance and casualty insurance, as required by the Declaration(s), worker's compensation insurance, and such additional insurance and endorsements as the Board may deem desirable;
- G. Cause the Common Areas and any other real and personal property for which the Association may be responsible or as to which the Association may have duties and obligations to be kept in a good state of maintenance and repair;
- H. Employ a manager, independent contractor, or such other individuals, entities or employees as they deem necessary and to prescribe their duties; and
- I. Pay proper expenses of the Association.

**Article VIII*****OFFICERS AND THEIR DUTIES*****Section 1: Enumeration of Offices**

The officers of this Association shall be a president, a vice-president, a secretary and a treasurer, who shall at all times be members of the Board, and such other officers as the Board may, from time to time, by resolution create.

**Section 2: Election of Officers**

The appointment of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

**Section 3: Terms**

The officers of the Association shall be appointed annually by the Board, each shall hold office until his successor is elected unless such person sooner resigns, or is removed, or is otherwise disqualified to serve.

**Section 4: Special Appointment**

The Board may appoint such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

**Section 5: Resignation and Removal**

Any officer may be removed from office, with and without cause, by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 6: Vacancies**

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

**Section 7: Multiple Offices**

No person shall simultaneously hold more than two (2) of any of the offices except in the case of special offices created pursuant to Section 4 of this Article IX.

**Section 8: Duties**

The duties of the officers shall be those usually vested in their respective offices, including the following:

- A. **President**: The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Board and shall see that orders and resolutions of the Board are carried out. The President shall have all of the general powers and duties which are vested in the office of President of an association;
- B. **Vice-President**: The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board; if neither the president nor the vice president is able to act, the Board shall appoint some other director to do so on an interim basis;
- C. **Secretary**: The secretary, or an assistant secretary elected and authorized by the Board, shall keep minutes of all meetings of the Board and of the Members and shall have custody and charge of the Association's minute books, membership transfer books, and such other books, papers and documents as the Board may prescribe; and
- D. **Treasurer**: The treasurer, or an assistant treasurer elected or appointed and authorized by the Board, shall be responsible for Association funds and securities and shall keep or supervise the keeping by persons designated by resolution of the Board of books of account

of Association receipts and disbursements. The Board may at its option appoint an employee of a management company retained by the Board to the position of assistant treasurer and such person's responsibility may include the issuance of Association checks below a dollar amount determined by the Board.

### **Section 9: Checks and Drafts**

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable by the Association, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board.

### **Section 10: Execution of Contracts and Other Documents**

The Board by resolution may authorize any Trustee, 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. Unless so authorized by the Board, no Trustee, officer, agent or employee shall have any power or authority to bind the Association by any contract or agreement or to pledge its credit to render it liable for any purpose or for any amount. Any principal officer may prepare, execute, certify, and record amendments to the Declaration or these Bylaws on behalf of the Association which have been duly adopted in accordance with the amendment provisions of the Declaration or these Bylaws.

### **Section 11: Compensation**

No compensation shall be paid to the officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the Board in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board before the services are undertaken.

## **Article IX**

### ***BOOKS AND RECORDS***

#### **Section 1: Books and Records**

Upon **written** request, the membership register, books of account and minutes of meetings of the Members, Board and committees of the Board shall be made available for inspection and copying by any Member, any Member's duly appointed representative and any Mortgagee during normal business hours and for a legitimate purpose, at such place or places as the Board may prescribe. The Board shall establish reasonable rules with respect to notice to be given to the custodian of the records by the Member or Mortgagee desiring to make the inspection, hours and days of the week when such an inspection may be made, and payment of the cost of reproducing documents requested by a Member or Mortgagee. The Declaration(s), the Articles and these Bylaws shall be available for inspection by any Member at the principal office of the Association, where copies may be obtained at reasonable cost. Every Trustee shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association, including the right to make extracts and copies.



**Article X*****INDEMNIFICATION*****Section 1: Indemnification: Third Party Action**

The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Trustee or officer of the Association, or is or was serving at the request of the Association as a trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by an adverse judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

**Section 2: Indemnification: Association Actions**

The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a Trustee or officer of the Association, or is or was serving at the request of the Association as a trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

**Section 3: Determinations**

To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 1 and 2 above, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith. Any other indemnification hereunder shall be made by the Association only upon a determination that indemnification of the person is proper in the circumstances because he has met the applicable standard of conduct set forth respectively in Sections 1 and 2 above. Such determination shall be made either (i) by the Board of Trustees by a majority vote of disinterested Trustees or (ii) by the Members by the affirmative vote of at least fifty percent (50%) of the voting power of the Members of the Association at any meeting duly called for such purpose.

**Section 4: Advances**

Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in this Article may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Board of Trustees and upon receipt of an undertaking by or on behalf of the person to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by this Article or otherwise.

**Section 5: Scope of Indemnification**

The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Association's Articles of Incorporation, Bylaws, agreements, vote of disinterested Members or Trustees, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The indemnification authorized by this Article shall apply to all present and future Trustees, officers, employees, and agents of the Association and shall continue as to such persons who cease to be Trustees, officers, employees, or agents of the Association and shall inure to the benefit of the heirs and personal representatives of all such persons and shall be in addition to all other rights to which such persons may be entitled as a matter of law.

**Section 6: Insurance**

The Association may purchase and maintain insurance on behalf of any person who was or is a Trustee, officer, employee, or agent or was or is serving at the request of the Association as a trustee, officer, employee, or agent of another corporation, entity, or enterprise (whether for profit or not for profit).

**Section 7: Payments and Premiums**

All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute expense of the Association and shall be paid with funds from the Assessments referred to in the Declaration(s).

**Article XI*****FISCAL YEAR*****Section 1: Fiscal Year**

The fiscal year of the Association shall be determined by the Board in its discretion.

**Article XII*****AMENDMENTS AND INTERPRETATION OF DOCUMENTS*****Section 1: Amendment**

Any amendment of these Bylaws shall require the vote or written consent of two-thirds (2/3) of the Owners; provided, however, that no such amendment shall change any provision hereof where such provision is contained in or governed by the Articles or the Declaration(s), unless the applicable provisions of the Articles and/or Declaration(s) are likewise amended as therein required, and provided further that the percentage of the Voting Power of the Association necessary to amend a

specific provision of these Bylaws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that provision of the Articles or the Declaration(s).

**Section 2: Interpretation**

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(s) and these Bylaws, the Declaration(s) shall control. In the case of any conflict between the Articles and the Declaration(s), the Declaration(s) shall control.

**Section 3: Challenge to Validity**

No action to challenge the validity of the adopted amendment may be brought more than one (1) year after the amendment is adopted.

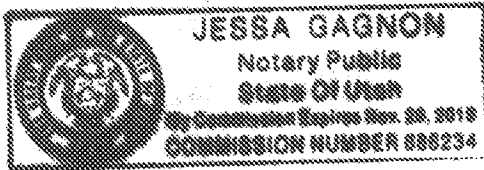
IN WITNESS WHEREOF, we, being all of the Trustees of the Highlands at the Ranches Homeowners Association, Inc. have hereunto set our hands this 29 day of March, 2016.

Highlands at the Ranches  
HOMEOWNERS ASSOCIATION

Georgina Pitcher  
By: Georgina Pitcher  
Its: President

State of Utah )  
 ) :ss  
County of Utah )

Subscribed and sworn to before me on the 29 day of March, 2016, by  
Georgina Pitcher



Jessa Gagnon  
Notary Public

**Exhibit A**

**Legal Description**

Lots 1 - 69, ANTHEM AT THE RANCHES SUBDIVISION PHASE 1, according to the official plat(s) thereof as recorded in the office of the Utah County Recorder.

Serial #'s 34:376:0007, 34:376:0009 through 34:376:0011, 34:376:0018 through 34:376:0069, and 34:376:0091 through 34:376:0103

Lots 70 - 105, ANTHEM AT THE RANCHES SUBDIVISION PHASE 2, according to the official plat(s) thereof as recorded in the office of the Utah County Recorder.

Serial #'s 34:395:0070 through 34:395:0105.

Lots 106 - 152, ANTHEM AT THE RANCHES SUBDIVISION PHASE 3, according to the official plat(s) thereof as recorded in the office of the Utah County Recorder.

Serial #'s 34:392:0106 through 34:392:0118, 34:392:0134 through 34:392:0152, and 34:392:0174 through 34:392:0187, and 34:392:0190