

WHEN RECORDED PLEASE RETURN TO:

Spring Mountain HOA
PO Box 1029
West Jordan, UT 84084

SPRING MOUNTAIN POD PHASE I
SPRING MOUNTAIN POD PLAT 2 BYLAWS
SPRING MOUNTAIN POD PLAT 3 OF

52:669:0001-0034
52:696:0035-0038,0041-0066
52:790:0001-0002

SPRING MOUNTAIN HOME OWNERS ASSOCIATION

A NONPROFIT CORPORATION

April 23, 2002

Pursuant to the provisions of the Utah Nonprofit Corporation and Cooperative Association Act, the Board of Trustees of Spring Mountain Home Owners Association, Inc., a Utah nonprofit corporation, hereby adopts the following Bylaws for such nonprofit corporation.

ARTICLE I

1.01 Name. The name of this organization shall be the SPRING MOUNTAIN HOME OWNERS ASSOCIATION, hereinafter referred to as the "Association".

ENT 194514:2003 PG 1 of 11
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2003 Dec 10 3:20 pm FEE 95.00 BY LJ
RECORDED FOR SPRING MOUNTAIN HOA

ARTICLE II

2.01 Not for Profit. The SPRING MOUNTAIN HOME OWNERS ASSOCIATION shall be a nonprofit corporation.

ARTICLE III

The following definitions shall be employed in answering questions pertaining to these bylaws and in resolving all disputes arising from attempts to interpret these bylaws:

3.01 "Association" The term "Association", "the Association", "Associations" or "Corporation" shall mean the SPRING MOUNTAIN HOME OWNERS ASSOCIATION.

3.02 "Properties" shall mean and refer to that certain real property in the Declaration of Easements, Covenants, Conditions and Restrictions regarding Spring Mountain, and additions thereto as may hereafter be brought within the jurisdiction of the Association comprised of all lots and common areas according to the Plat thereof as recorded in Plat Book of the Public Records of Utah County, Utah.

3.03 "Common Areas" shall mean all real property within the Spring Mountain area for the common use and enjoyment of the Owners.

3.04 "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common areas, together with all improvements thereon.

3.05 "Owner" shall mean and refer to the legal, recorded owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the properties, including contract sellers, but excluding any other party holding fee simple title thereto merely as security for the performance of an obligation.

3.06 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions regarding Spring Mountain and applicable to the properties recorded in the Public Records of Utah County, Utah, and all amendments thereto now or hereafter recorded in said records.

ARTICLE IV

OBLIGATIONS OF THE MEMBERS

4.01 Assessments. Each Member shall pay his or her pro rata share of all assessments imposed by the Association to meet the Common Expenses. Each assessment shall be allocated among the Members as set forth in the Declaration. If a Lot is owned by two or more Members, each of such co-Members shall be jointly and severally liable for the portion of the assessment attributable to such Lot. Assessments shall be made on such periodic basis as the Board may determine and shall be due and payable on the date specified in the assessment notice. At the time of the closing of title for the purchase of a Lot, the purchasing owner shall pay to the Association the assessments attributable to such Lot through the end of the fiscal year.

4.02 Enforcement of Payment; Lien; Priority of Lien. Each assessment and each special assessment of Common Expenses, plus all late fees assessed, applicable interest, costs of action and reasonable attorney's fees, shall be separate, distinct and personal obligations of the Owner(s) of the Unit against which the same is assessed at the time the assessment is made and shall be collectible as such. Suit to recover a money judgment for unpaid Common Expenses, plus all late fees assessed, applicable interest, costs of action and reasonable attorney's fees, may be maintained without foreclosure or waiving the lien (described hereafter) securing the same. If not paid when due, the amount of any assessment, whether regular or special, assessed to a Unit, plus all late charges, interest, costs of action and reasonable attorney's fees, shall become a lien upon such Unit upon recordation of a notice thereof as provided by the Act. The said lien for non-payment of Common Expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

- (a) tax and special assessment liens on the Unit in favor of any assessing unit, or special district; and
- (b) encumbrances on the interest of the Unit Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

4.03 Homeowner and Mailing Address Registration. Any person upon becoming Homeowner of a lot, shall notify the secretary or the managing agent within five days of the transfer of title or change of address. If a Lot is owned by two or more Owners, such Co-Owners shall designate one address as the registered address. An Owner or Owners shall notify the secretary or managing agent of his or their registered address within five days after any transfer of title or

change of address. Such notice shall be written and signed by all of the Owners to which it relates or by such persons authorized to sign on behalf of such Owners.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

5.01 The Association shall have One Class of Voting Membership. Members shall be all owners and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons can be members, but may only cast one vote with respect to any Lot. There can be no split votes.

ARTICLE VI

MEETING OF MEMBERS

6.01 Place of Meetings. Meetings of the members shall be held at any place within Utah County that the Board of Trustees may from time to time elect.

6.02 Annual Meetings shall be held for the entire Membership during the month of June for the purposes of electing Trustees, reviewing the past year's financial reports, and reviewing the upcoming year's proposed budget.

6.03 Special Meetings. Special meetings of the members may be called at any time by the President or the Board of Trustees, or upon written request of fifty percent (50%) of the current members. The call for such meeting shall be in accordance with these bylaws.

6.04 Action Without a Meeting. Any action which may be taken at a regular or special meeting, may be taken without a meeting, if the Association distributes a written ballot to every Member entitled to vote. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the Association, which shall be a date not earlier than thirty (30) days after distribution of the written ballot to the Members.

Approval by written ballot shall be valid only when the number of votes cast equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

The ballot solicitation shall identify the number of responses needed to meet the quorum requirement and the percentage of approvals necessary to pass the measure submitted and shall specify the time by which the ballot must be received by the Association in order to be counted.

6.05 Notice of Meetings. Notice of each meeting shall be given by, or at the direction of, the Association Secretary. The notices shall specify the place, day, and hour of the meeting, and in

the case of special meetings, the purpose thereof. Notice of any meeting called for the purpose of increasing the annual dues, or requesting a special assessment shall be given to all members not less than thirty (30) days in advance of such meeting.

All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting form of proxies, and method of ascertaining Members present shall be deemed waived if no objection thereto is made before or at the meeting.

6.06 Quorum. At any meeting of the Members duly called and noticed, the Members and proxy holders present shall constitute a quorum for the transaction of business, except where a greater number is required by the Declaration.

6.07 Proxies. A member entitled to vote may vote by proxy executed in writing by the member. All proxies shall be in writing and filed with the Secretary of the Association or Managing Agent. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meeting thereof. In no event shall any proxy be valid for longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the member executing it.

6.08 Conduct. All meetings of the Association and its committees shall be conducted in accordance with Robert's Rules of Order and the bylaws of the Association. In the event there are questions as to procedure, the presiding officer shall refer the questions to the Parliamentarian for a ruling thereon. If no Parliamentarian has been appointed, the presiding officer shall make the ruling. Unless authorized by the President, only members in good standing may address the chair.

6.09 Minutes. Minutes of all meetings shall be kept in a businesslike manner and shall be available for inspection by the members or their authorized representatives and board members at reasonable times. The Association shall retain those minutes for a period of not less than seven (7) years.

ARTICLE VII

BOARD OF TRUSTEES; SELECTION AND TERM OF OFFICE

7.01 The Business and affairs of the Association shall be managed and governed by a Board of Trustees composed of not less than three, but may be increased to such greater number (by a majority vote of the quorum present at such meeting), not to exceed seven, all of whom must be members in good standing.

7.02 Term At each Annual Meeting of the Association, the Members shall elect the number of Trustees necessary to succeed those whose terms are then expiring, for terms of three (3) years each; except in the year 2001, in which two (2) Trustees to serve for a term of Three (3) years; two (2) Trustees to serve for a term of Two (2) years; and one (1) Trustee to serve for a term of One (1) year. At each Annual Meeting thereafter, the Members shall elect for a term of Three (3) years one Trustee to fill the vacancy created by the expiring term of a Trustee. A trustee shall continue in office until his/her successor shall be elected and qualified, unless he or she sooner dies, resigns or is otherwise disqualified to serve.

7.03 Removal and Vacancies. Any trustee may be removed from the board, with or without cause, by a majority vote of the members of the Association at any regular or special meeting provided thirty (30) days advance notice has been provided or by a unanimous vote of the remaining trustees if the trustee in question has missed three consecutive Board meetings. Any vacancy in the Board of Trustees for any reason shall be filled by the remaining members of the board and shall serve the remaining term of the trustee.

7.04 Compensation. No trustee shall receive compensation for services he or she may render to the Association. However, any trustee may be reimbursed for actual expenses incurred in the performance of his or her duties.

7.05 Manager. The Board of Trustees may carry out through a Manager any of its functions which are properly the subject of delegation. Any Manager so engaged shall be responsible for managing the Project for the benefit of the Association and the Unit Owners, and shall, to the extent permitted by law and the terms of the agreement with the Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Board of Trustees itself. Any agreement for professional management of the Project, and any management contract, employment contract or lease of recreational or parking areas or facilities, and any other contract providing for services of the Declarant, and any lease to which Declarant is a party which may be entered into by the Board of Trustees or the Association shall call for a term not exceeding two (2) years and shall provide that such agreement or lease may be terminated by either party thereto without cause with at least thirty (30) days written notice.

ARTICLE VIII

NOMINATION AND ELECTION OF TRUSTEES

8.01 Nomination. Nominations for election to the Board of Trustees will be accepted from the floor at the Annual Meeting.

8.02 Election. Election to the Board of Trustees shall be by secret written ballot unless this method is waived by a majority of the members in attendance at the meeting. At such election the members or their proxies shall cast one (1) vote per each vacancy. The person receiving a plurality of the votes cast for that office shall be elected.

ARTICLE IX

MEETINGS OF TRUSTEES

9.01 Regular Meetings. Regular meetings of the Board of Trustees shall be held as deemed necessary by the Board of Trustees at such place, date and time as may be fixed from time to time by the Board.

9.02 Special Meetings. Special meetings of the Board of Trustees shall be held when called by the President, or by any two (2) Trustees of the Board, after not less than three (3) days notice to each trustee.

9.03 Emergency Meetings. Emergency meetings may be held at the request of the President, by telephone or email conference. Members of the Board may be polled over the telephone or email and a majority of affirmative votes which then shall be the action of the Board. Minutes shall be filed by the Secretary.

9.04 Action by Written Agreement. The Board of Trustees may act by written agreement without meeting provided the agreement is signed by a majority of the officers and confirmed at the next regular meeting.

9.05 Open Meetings. All regular and special meetings of the Board shall be open to all members of the Association. Any member desiring to address the Board must contact the President, Vice President, or managing agent at least one (1) day in advance of the meeting to make appropriate arrangements.

9.06 Quorum. A majority of the number of Trustees shall constitute a quorum for conducting business. Every decision or act made by the majority of the Trustees present at a meeting at which a quorum is present will be considered an act of the Board. If at a meeting a quorum is not present, the meeting may be adjourned until a quorum is present. A trustee may join in the action of a meeting by signing the minutes thereof and as such constitute the presence of such trustee for the purpose of determining a quorum.

9.07 Minutes. Minutes of all meetings of the Board of Trustees shall be kept in a businesslike manner and shall be available for inspection by members, or their authorized representatives and Board Members at reasonable times upon appropriate advance notice to the Secretary. The Association shall retain these minutes for a period of not less than seven (7) years.

9.08 Budget. The annual budget of the Association shall be adopted by the Board of Trustees at the first regular Board meeting following the annual meeting of the membership. This meeting shall be open to all members of the Association.

ARTICLE X

OFFICERS

10.01 Enumeration of Officers. The officers of the Board of Trustees and the Association shall be one and the same and shall be a President, Vice President, Secretary and Treasurer. All officers shall at all times be members of the Board of Trustees and no officers may be elected or appointed who are not members of the Board of Trustees.

10.02 Election of Officers. The election of officers shall take place at the first meeting of the Board of Trustees which shall immediately follow the adjournment of each annual meeting of members.

10.03 Term. The officers shall be elected annually by the Board of Trustees and shall hold office for one year unless he or she shall sooner resign, or shall be removed or otherwise disqualified to serve.

10.04 Special Appointments. The Board may elect 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. Such additionally elected officers shall be chosen from the Board of Trustees and shall at all times be members of the Board of Trustees.

10.05 Committees. The Board may appoint regular and special committees to serve for the purposes designated by the Board and for such terms as determined by the Board.

10.06 Block Captains. The Board shall appoint a Block Captain to deliver notices and to act as liaison between the owners and the Board and to fulfill such other duties as the Board may from time to time deem necessary.

10.07 Resignation and Removal. Any officer may be removed from office with or without cause by a unanimous vote of the remaining officers if the officer in question has missed fifty percent (50%) of Board meetings held in the past 12 months. 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 such later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

10.08 Vacancies. A vacancy in any office may be filled by appointment by a majority vote of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

10.09 Multiple Offices. The offices of President and Secretary may not be held by the same person. The offices of President and Vice President may not be held by the same person. Otherwise, the same person may hold multiple offices.

10.10 Duties. Duties of the officers are as follows:

A. President. The President shall preside at all meetings of the Board of Trustees; see that orders and resolutions of the Board are carried out, and shall co-sign all checks as required, and shall have all of the powers and duties which are normally vested in the office of the President of a corporation.

B. Vice President. The Vice President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board of Trustees.

C. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Trustees and of the members; serve notice of meetings of the Board of Trustees and of the members; keep appropriate current records showing the members of the Association together with their addresses; and shall perform such other duties as may be required by the Board of Trustees.

D. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Trustees; shall sign all checks of the Association as required; keep proper books of account; if determined by resolution of the Board, shall cause an annual review of the Association books to

be made at the completion of each fiscal year; and shall prepare a statement of income and expenditures to be presented to the membership at its regular annual meeting, and provide a copy of the statement to any member who requests it.

Customary Duties. The officers, in addition to the duties specifically set forth herein, shall perform the duties of those offices customarily performed by officers of corporations.

In the event that "Property Management" is hired, the Treasurer's duty is to make certain that Property Management carries out the duties.

10.11 Compensation. The officers shall serve without compensation.

ARTICLE XI

ACCOUNTING RECORDS; FISCAL MANAGEMENT; ASSESSMENTS

11.01 Books and Records. The Association shall keep correct and complete books and records of account including all receipts and expenditures. The books and records of the Association shall be open to inspection by members or their authorized representatives at reasonable times upon appropriate advance notice to the Board of Trustees. Such authorization as a representative of a member must be in writing and signed by the person giving the authorization and dated within thirty (30) days of the date of the inspection. Written summaries of the accounting records may be made available to the members. Such records if made available shall include a record of all receipts and expenditures.

11.02 Fiscal Year. In administering the finances of the Association, the following procedures shall govern:

- A. The fiscal year shall be fixed by the Board.
- B. Any moneys received by the Association in any fiscal year may be used by the Association to pay expenses incurred in the same calendar year subject to the provisions for excess revenues as described in the Association's documents.
- C. The Association will operate on a cash basis accounting system.

11.03 Annual Dues. Annual Dues are established annually by the Board of Trustees in accordance with Declaration.

11.04 Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Trustees in which the moneys of the Association shall be deposited. Withdrawal of moneys from such account shall be only by checks signed by such persons as are authorized by the Board.

ARTICLE XII

FIDUCIARY RELATIONSHIP

12.01 Fiduciary Relationship. The officers and Trustees of the Association shall have a fiduciary relationship to the members.

ARTICLE XIII

INDEMNIFICATION

13.01 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 director, 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.

13.02 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 Section 13.01 hereof, 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 under Section 13.01 hereof 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 Section 13.01 hereof. Such determination shall be made either (i) by the Board of Trustees by a majority vote of disinterested Trustees or (ii) by independent legal counsel in a written opinion, or (iii) 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.

13.03 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.

13.04 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.

13.05 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, director, officer, employee, or agent of another corporation, entity, or enterprise (whether for profit or not for profit).

13.06 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 these Documents.

ARTICLE XIV RULES AND REGULATIONS

14.01 Rules and Regulations. The Board of Trustees may from time to time adopt, amend, repeal, and enforce reasonable rules and regulations governing the use and operation of the Project, to the extent that such rules and regulations are not inconsistent with the rights and duties set forth in the Articles of Incorporation, the Declaration, or these Bylaws. The Members shall be provided with copies of all rules and regulations adopted by the Board of Trustees, and with copies of all amendments and revisions thereof.

ARTICLE XV AMENDMENT OF BYLAWS


15.01 Amendments. Except as otherwise provided by law, by the Articles of Incorporation, by the Declaration, or by these Bylaws, these Bylaws may be amended, altered, or repealed and new Bylaws may be made and adopted by the Members upon the affirmative vote of at least fifty-one percent (51%) of the voting power of the Members of the Association; provided, however, that such action shall not be effective unless and until a written instrument setting forth (i) the amended, altered, repealed, or new bylaw, (ii) the number of votes cast in favor of such action, and (iii) the total voting power of the Members of the Association, shall have been executed and verified by the current President of the Association.

ARTICLE XVI

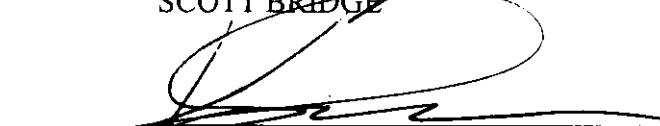
INTERPRETATION OF ASSOCIATION DOCUMENTS

16.01 **Interpretation of the Declaration, Bylaws, & Articles of Incorporation.** Except for judicial construction, the Trustees shall have the exclusive right to construe and interpret the provisions of the Declaration, Bylaws, & Articles of Incorporation. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Trustees construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefited or bound by these documents and the provisions hereof.

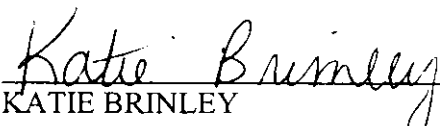
IN WITNESS WHEREOF, the undersigned, constituting all of the Trustees of the SPRING MOUNTAIN HOME OWNERS ASSOCIATION, INC., have executed these Bylaws on the 12 day of August, 2002.



SCOTT BRIDGE



KIM SCHROPPEL SCHROEPPEL



KATIE BRINLEY