

After Recording Return To:

Bridle Gate Estate Homeowner's Association 2606 South 3070 East Saint George, UT 84790



BY LAWS FOR

BRIDLE GATE ESTATES HOMEOWNER'S ASSOCIATION

Pursuant to the laws of the State of Utah, the above Utah nonprofit corporation hereby adopts the following Bylaws:

ARTICLE I NAME AND LOCATION

The name of the corporation is BRIDLE GATE ESTATES Homeowner's Association, Utah state Entity No. 119921070, hereinafter referred to as the "Association." The principal office of the Association shall be located at 2606 S. 3070 E. St. George UT, 84790, or as otherwise on file with the state, but meetings of Members and directors may be held at such places within the State of Utah as may be designated by the Board of Directors.

ARTICLE II <u>DEFINITIONS</u>

Section 2.1 "Association"

"Association" shall mean and refer to BRIDLE GATE ESTATES Homeowner's Association, a Utah nonprofit corporation, its successors and assigns.

Section 2.2 "Covered Property"

"Covered Property" shall mean and refer to that certain real property described in the Declaration, and other property annexed under the purview thereof from within the Annexable Property as defined in the Declaration.

Section 2.3 "Declaration"

"Declaration" shall mean and refer to the Amended and Restated Declaration of Covenants, Conditions, Restrictions, and Easements for BRIDLE GATE ESTATES applicable to the Covered Property and recorded in the Office of the Washington County Recorder, State of Utah, as it may be amended from time to time.

Section 2.4 "Declarant""

Declarant' shall mean and refer to the Sunchaser, LC and/or any successors to said limited liability company which, either by operation of law or through a voluntary conveyance, transfer, or assignment, comes to stand in the same relationship to the Project and/or Additional

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Land as defined in the Declaration. Declarant shall additionally include and refer to DH Sunwest, LLC.

Section 2.5 "Member"

"Member" shall mean and refer to those persons entitled to Membership in the Association as provided in the Declaration. "Member" shall additional mean and refer to the Declarant.

Words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the "Declaration", unless the context indicates otherwise.

ARTICLE III MEMBERSHIP: MEETINGS, QUORUM, VOTING, PROXIES

Section 3.1 Annual Meetings.

An annual meeting of Members shall be held at least once every twelve (12) months at such time and place as is determined by the Board. Annual meetings may be conducted electronically (i.e., via the Internet, intranet, or teleconference) if, and to the extent, permitted by law.

Section 3.2 Special Meetings.

Special meetings of the Members may be called at any time by the President or by the Board of Directors, by Declarant, or upon written request of the Members who represent at least ten percent (10%) of all of the votes entitled to be cast by the Membership.

Section 3.3 Notice of Meetings.

Written notice of each meeting of the Members shall be given to Voting Members by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days, and no more than thirty (30) days, before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting, including such purposes as may be required to be set forth and disclosed pursuant to provisions of the Utah Code Annotated. Notice may also be given by any method permitted by law.

Section 3.4 Waiver of Notice.

Waiver of notice of a meeting shall be deemed the equivalent of proper notice. Any Voting Member may waive, in writing, notice of any meeting, either before or after such meeting. Attendance at a meeting by a Voting Member shall be deemed waiver by such Voting Member of notice of the time, date, and place thereof, unless such Voting Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business

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transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

Section 3.5 Voting.

Members' voting rights shall be as set forth in the Articles of Incorporation, Declaration and in these Bylaws, and such voting rights provisions are specifically incorporated by this reference.

Section 3.6 Proxies.

Subject to the limitations of Utah law relating to use of general proxies and subject to any specific provision to the contrary in the Declaration or these Bylaws, Voting Members may vote by proxy.

Every proxy shall be in writing specifying the Lot or Parcel for which it is given, signed by the Member or his duly authorized attorney-in-fact, dated, and filed with the Association's Secretary prior to the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast; and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid.

Every proxy shall be revocable and shall automatically cease upon: (a) conveyance of any Lot or Parcel for which it was given, (b) receipt by the Secretary of written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is a natural person, from the date of the proxy, unless a shorter period is specified in the proxy.

Notwithstanding the foregoing, Voting Members may vote without a meeting and by written ballot mailed to the Association in accordance with notice and other procedures established by law.

Section 3.7 Majority.

As used in these Bylaws, the term "majority" shall mean those votes, votes of Voting Members representing Owners, Owners or other group, as the context may indicate, totaling at least fifty-one percent (51%) of the total eligible number.

Section 3.8 Quorum.

Except as otherwise provided in these Bylaws or in the Declaration, the members attending, by proxy or in person, any duly called meeting of the Members of the Association shall constitute a quorum for transacting Association business..

Section 3.9 Conduct of Meetings.

The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

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Section 3.10 Member Action Without a Meeting.

Except as provided by law, any vote of the Voting Members may also be taken without a meeting, by written ballot in accordance with Utah law.

This Article shall be construed consistently with state law, as same may from time to time change, and Voting Members may also take action by written consent to the extent permitted by Utah law.

ARTICLE IV BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

Section 4.1 Governing Body; Number.

The affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with the Articles and these Bylaws. The Board shall consist of, and the Voting Members shall elect, directors totaling not more than seven (7) directors, but never an even number, all of whom must be Members, or an individual designated by a corporate, partnership or other non-individual Member.

Section 4.2 Term of Office.

The term of office for directors shall be staggered. If five directors are elected, three directors shall serve for a period of three years, and two directors shall serve for two years. If seven directors are elected, four shall serve for a period of three years, and three shall serve for a period of two years. Thereafter, each director shall be elected for a term of 3 years.

Section 4.3 Qualification and Removal.

Any director may be removed from the Board, with or without cause, by a vote of Member in conformance with law. In the event of removal, death or resignation of a director, a successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of a predecessor. All directors shall be owner-occupants of a Living Unit within the Association.

Section 4.4 Compensation.

No director shall receive compensation for any service the director may render to the Association that is within its duties as a director. However, any director may be reimbursed for actual expenses incurred in the performance of the director's duties.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 51 Nomination.

Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made by Declarant from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be

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appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Such nominations may be made from among individual Members or individuals designated by corporate, partnership, and other non-individual Members.

Section 5.2 Election.

Election to the Board of Directors, except for appointments or vote by acclamation, shall be by written ballot. In any such election, every Owner or Voting Member entitled to vote shall be entitled to cast the number of votes attributable to such Owner or Voting Member multiplied by the number of directors to be elected.

Section 5.3 Savings Clause.

Nothing in this Article shall be interpreted to require a meeting of Members when state law may permit ballots or action by mail or other approved form or method of delivery, or Member action without a meeting.

ARTICLE VI MEETINGS

Section 6.1 Regular Meetings.

Regular meetings of the Board of Directors shall be held at least once per calendar year, at such place and hour as may be fixed from time to time by resolution of the Board, and may be held telephonically or by other means of communication whereby all participants may hear each other. All meetings of the Board shall be open to all Members (and Members who are not directors shall be permitted to participate subject to reasonable restrictions of the Board); provided, however, that any meeting or portion thereof may be closed for the reasons authorized by law.

Section 6.2 Special Meetings.

Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days written notice to each director.

Section 6.3 Quorum.

A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 6.4 Action Taken Without a Meeting.

The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 6.5 Notice after Declarant Control.

After termination of the Declarant Control Period, notice of meetings of the directors shall comply with such additional requirements as may exist at law.

Section 6.6 Participation in Meetings.

Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other, all as permitted by law. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 Powers.

In addition to all other powers, the Board of Directors shall have power to:

- A. adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- B. suspend the voting rights and the right of a Member to use the recreational facilities during any period in which such Member shall be in default in the payment of any assessment levied by the Association, subject to provisions of law concerning notice and hearing. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations, unless such infraction in continuing in which case such suspension may continue until the infraction is cured;
- C. exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- D. declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
 - E. appoint various committees at its discretion;
- F. employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties. The Board shall determine the compensation to be paid to such employees; and

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G. grant easements over, across or under the Common Areas for public utilities, ingress, egress and such other purposes as may be deemed advisable by the Board.

Section 7.2 Duties.

It shall be the duty of the Board of Directors to:

- A. as more fully provided in the Declaration:
 - fix the amount of the annual and other assessments against each Lot or Parcel;
 - 2. send written notice of each assessment to every Owner subject thereto; and
 - 3. foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same, provided same is cost effective in the sole discretion of the Board of Directors;
- B. issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- C. procure and maintain liability and hazard insurance on property owned by the Association in the amounts required by the Declaration or otherwise determined by the Board of Directors in their sole discretion;
- D. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- E. cause the Common Area, and any other areas for which the Association is responsible, to be maintained.

Section 7.3 Board Standards.

In the performance of their duties, the directors and officers shall be insulated from personal liability to the fullest extent permitted by Utah law, including, where applicable, the Governmental Immunity Act of Utah, and as otherwise provided in the Governing Documents.

Directors and officers are required to discharge their duties in accordance with the standards of conduct for directors set forth in Section 16-6a-822 of the Utah Revised Nonprofit Corporation Act (the "Act"). A director or officer shall be deemed to be acting in accordance with the standards of conduct set forth in Section 16-6a-822 of the Act so long as the director or officer (a) acts within the express or implied terms of the Governing Documents and his or her actions are not outside the scope of the director's authority; (b) affirmatively undertakes to make decisions which are necessary for the Association's continued and successful operation and, when decisions are made, they are made on an informed basis; and (d) acts in a non-fraudulent manner. A director or officer acting in accordance with the standards of conduct set forth in Section 16-6a-822 of the Act shall be protected from personal liability in all respects.

Section 7.4 Conflicts of Interest: Code of Ethics.

The initial Board shall adopt a written a conflict of interest policy applicable to all directors and officers.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 8.1 Enumeration of Officers.

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

Section 8.2 Election of Officers.

All officers of the Association shall be appointed and removed by the Board.

Section 8.3 Term.

The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 8.4 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.

Section 8.5 Resignation and Removal.

Any officer may be removed from office with or 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 8.6 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 replaced.

Section 8.7 Multiple Offices.

The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 8.4 of this Article.

Section 8.8 Duties.

The duties of the officers are as follows:

- A. <u>PRESIDENT.</u> The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.
- B. <u>VICE-PRESIDENT</u>. The vice-president shall act in the place and stead of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.
- C. <u>SECRETARY.</u> The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association, if any, and affix it on all papers requiring said seal; serve notice of meetings of the Board 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 required by the Board.
- D. TREASURER. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual financial review or compilation of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members. The Treasurer and President may in writing delegate to a professional management company the authority to execute checks for ordinary and necessary operating expenses of the Association. Capital expenses shall require the signature of the Treasurer and President.

Section 8.9 Delegation.

The Board may delegate the duties listed above or other duties to a manager or managing agent, or other; however, such delegation shall not relieve any member of the Board of the member's responsibility for such duties.

ARTICLE IX RIGHTS OF CLASS B MEMBER

Section 9.1 Right of Class B Member to Disapprove Actions.

So long as the Class B Membership exists, the Class B Member shall have a right to disapprove any decision, action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Class B Member, would tend to impair rights of Declarant or Developer Owners under the Declaration or these Bylaws, interfere with development or construction of any portion of BRIDLE GATE ESTATES, diminish the level of services being provided by the Association or otherwise conflict with the plans, goals and objectives of the Class B Member as it determines same in its sole discretion.

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- A. <u>Notice.</u> The Association, the Board, and each committee shall give the Class B Member written notice of all meetings and proposed actions to be taken or to be approved at meetings (or by written consent in lieu of a meeting). Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Association's Secretary, which notice complies as to Board meetings with all provisions hereof, and which notice shall, except in the case of the regular meetings held pursuant to the Bylaws, set forth with reasonable particularity the agenda to be followed at such meeting.
- B. Opportunity to be Heard. The Association, the Board, and each committee shall give the Class B Member the opportunity at any meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

No decision, action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented contrary to this Article IX, nor until and unless the requirements of subsections (A) and (B) above have been met.

The Class B Member, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within 10 days following any meeting at which any action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 days following receipt of written notice of any proposed action. The Class B Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations, nor may any right of disapproval be exercised to the extent such exercise would violate a specific prohibition or limitation established by law.

ARTICLE X <u>COMMITTEES</u>

Section 10.1 General.

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. Committees of the Board shall include any required by the Declaration, including the Architectural and Landscape Review Committee (the "ARC").

Section 10.2 Covenants Committee.

In addition to any other committees the Board may establish, and appoint a Covenants Committee consisting of at least three (3) and no more than seven (7) Members. Acting in accordance with the provisions of the Declaration, these Bylaws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct hearings within the Committee's purview.

The members of the Covenants Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

Section 10.3 Neighborhood Committees.

In addition to any other committees appointed as provided above, each Neighborhood which has no incorporated association may elect a Neighborhood Committee to determine the nature and extent of services, if any, to be provided to the Neighborhood by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A Neighborhood Committee may advise the Board on any other issue but shall not have the authority to bind the Board. Such Neighborhood Committees, if elected, shall consist of three (3) to five (5) members, as determined by the vote of at least 51% of the Owners of Lots within the Neighborhood.

Neighborhood Committee members shall be elected for a term of one year or until their successors are elected.

In the conduct of its duties and responsibilities, each Neighborhood Committee shall abide by the relevant and applicable notice and quorum requirements applicable to the Board. Meetings of a Neighborhood Committee shall be open to all Owners of Lots in the Neighborhood and their representatives. Members of a Neighborhood Committee may act by unanimous written consent in lieu of a meeting.

The members of the Neighborhood Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

Section 10.4 Equestrian Committee.

In addition to any other committee as provided for herein, an Equestrian Committee composed of at least three (3) and not more than five (5) Equestrian Members, who shall serve for a period of one year. The Equestrian Committee shall oversee and manage the operation and financial administration of the Equestrian Facility, subject to the approval of the board of trustees, and in accordance with the CC&Rs. The Equestrian Committee may make additional rules and regulations not inconsistent with the CC&Rs. The Equestrian Committee shall meet regularly with the Equestrian Members, and regularly attend the Association board meetings reporting on the affairs of the Equestrian Facilities.

Equestrian Members shall meet annually to discuss the needs of the Equestrian Facilities and to vote in members of the Equestrian Committee. Voting shall be conducted in the same manner as set forth in Article III, with voting being by the affirmative vote of the majority of the Equestrian members represented at the meeting.

The Equestrian Committee shall (a) see that the Facility and all improvements are maintained and kept clean, safe and in good repair and condition, both visually and functionally; (b) see that weeds, waste, litter, garbage and unwanted debris are regularly removed from the Facility; (c) ensure that the Facility, to the extent possible, is free from odors, pests and flies, (d) see that the Facility, including but not limited to the stalls and arena, is cleaned from animal waste on a regular basis and that the animal waste is removed from the Facility.

The members of the Equestrian Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

Section 10.5 Architectural Control Committee.

In addition to any other committee as provided for herein, an Architectural Control Committee ("ACC") shall be established. The ACC shall consist of at least three (3) but not more than five (5) members. The Board shall have the power to appoint and remove all of the members of the ACC. If the ACC is not appointed, the Board itself shall perform the duties required of the ACC. Individual Board members may also serve as ACC members.

The ACC shall have the right and duty to promulgate reasonable standards against which to examine any request made pursuant to this Section, in order to ensure that the proposed Plans conform harmoniously to the exterior design and existing materials of the Improvements on the Property. This power shall include the power to issue ACC Rules and Regulations which, among other provisions, may set forth procedures for the submission of Plans for approval, and state additional factors which it will take into consideration in reviewing submissions.

The ACC shall consider and act upon any and all Plans and specifications submitted for its approval under this Declaration and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and specifications approved by the ACC. No exterior construction, alteration, removal, relocation, repainting, demolition, addition, modification, or reconstruction of a Dwelling Unit or Improvement, including landscaping, in the Property shall be commenced or maintained, until the Plans and specifications therefor showing the nature, kind, shape, height, width, color, materials and location of the same shall have been submitted to the ACC (together with such fees for review and inspection as may be reasonably required by the ACC) and approved in writing by the ACC. The ACC shall approve Plans and specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area or the Property as a whole, that the appearance of any structure affected thereby will be in harmony with the surrounding structures, and that the construction thereof will not detract from the beauty, wholesomeness and attractiveness of the Lots and the Common Area or the enjoyment thereof by the Members, and that the upkeep and maintenance thereof will not become a burden.

The ACC shall meet from time to time as necessary to perform its duties hereunder. The vote of a majority of the ACC, shall be sufficient to enact resolutions or motions of the ACC. The attendance of a majority of the members at any meeting shall constitute a quorum.

The approval by the ACC of any proposals or Plans for any work done or proposed or in connection with any other matter requiring the approval and consent of the ACC, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, Plans or matters subsequently or additionally submitted for approval or consent.

The members of the ACC shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

Neither the ACC, the Board nor Declarant, nor any member thereof, acting in good faith shall be liable to the Association or to any owner for any damage, loss, or prejudice suffered or claimed on account of (i) the approval or rejection of, or the failure to approve or reject, any Plans, drawings, specifications, or variance requests (ii) the construction or performance of any

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work, whether or not pursuant to approved Plans, (iii) the development or manner of development of any of the Property, or (iv) any engineering or other defect in approved Plans, drawings and specifications.

The Declarant shall not be required to comply with the provisions of this Article in the initial construction of the Property.

ARTICLE XI HEARINGS

Section 11.1 Enforcement.

The Association may impose sanctions for any violation of the Governing Documents. To the extent specifically required by the Declaration, the Board shall comply with the following procedures prior to imposition of sanctions:

- A. Notice. The Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than 10 days (or such other time required by law) within which the alleged violator may present a written request for a hearing to the Board; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within 10 days of the notice, or such longer period as may be required by law. If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed; provided the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 10-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.
- B. <u>Hearing</u>. If a hearing is requested within the allotted 10-day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

ARTICLE XII BOOKS AND RECORDS

- A. <u>Inspection by Members and Mortgagees.</u> The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Lot or Parcel, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Lot or Parcel: the Governing Documents, the Membership register, books of account, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the Association's office or at such other place within BRIDLE GATE ESTATES as the Board shall designate.
- B. <u>Rules for Inspection.</u> The Board shall establish rules with respect to (i) notice to be given to the custodian of the records; (ii) hours and days of the week when such an inspection may be made; and (iii) payment of the cost of reproducing documents requested.

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C. <u>Inspection by Directors.</u> Every director 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. A director's right of inspection includes the right to make a copy of relevant documents at the Association's expense.

ARTICLE XIII ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual, special and other assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, (1) a late charge of the greater of fifteen dollars (\$15.00) or ten percent (10%) of the delinquent amount shall be added thereto, and (2) the assessment shall, unless otherwise provided in the Declaration, bear interest from the date of delinquency at a rate equal to the greater of twelve percent (12%) per annum or the then prevailing interest rate on loans insured by FHA or VA (but not to exceed the maximum rate permitted by Utah law), and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of the Owner's Lot or Parcel.

Lots and Parcels owned by Declarant are exempt from assessment as provided in the Declaration, and Lots and Parcels owned by Developer Owners are entitled to certain reduced assessments as provided in the Declaration.

ARTICLE XIV AMENDMENTS; CONFLICTS

Section 14.1 By the Board.

These Bylaws may be amended by the Board of Directors of the Association. No amendment may conflict with any right reserved unto the Declarant, the Class B Member, or the Developer Owners, and any amendment so long as Declarant holds a Class A or Class B Membership shall require the written consent of Declarant or shall be void.

Section 14.2 By Members Generally.

Except as provided above, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Voting Members representing 51% of the total Class A votes in the Association, and the consent of the Declarant so long as it holds a Class A or Class B Membership. In addition, the approval requirements set forth in the Declaration shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

Section 14.3 Validity of Amendments.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class B Member without the written consent of Declarant, the Class B Member, or the assignee of such right or privilege.

Section 14.5 Conflicts.

In the event of conflicts among the provisions of Utah law, the Declaration, the Articles of incorporation, and these Bylaws, the provisions of Utah law, the Declaration, the Articles of Incorporation, and the Bylaws, in that order, shall prevail.

ARTICLE XV FISCAL YEAR

The fiscal year of the Association shall begin on the first day of *January and end* on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

BRIDLE GATE ÉSTATES
HOMEOWNER'S ASSOCIATION

By: Frank Kuehnel Its: President

STATE OF UTAH

) s.s.:

County of Washington)

On this 25 day of JANUARY, 2013, personally appeared before me Frank Kuehnel, who is personally known to me (or satisfactorily proved to me), and who being by me duly sworn did say that he is the President of Bridle Gate Estates Homeowners Association, a Utah corporation, and that he executed the foregoing Bylaws on behalf said corporation by authority of a resolution of its Board of Directors, and he acknowledged before me that the corporation executed the same for the uses and purposes stated therein, and that the information therein is true and correct to the best of his knowledge.

DOROTHY H. DOBSON

MOTARY PUBLIC • STATE OF UTAH

COMMISSION # 604063

COMM. EXP. 12-10-2014

NOTARY PUBLIC

EXHIBIT "A"

TO THE BYLAWS OF

BRIDLE GATE ESTATES HOMEOWNER'S ASSOCIATION

Legal Description of the Property

All of the Lots of Bridle Gate Estates Phase 1 and Phase 2, according to the official plat thereof, subject to the Declaration of Conditions, Covenants and Restrictions, all on file in the office of the Washington County Recorder.

Subdivision

BEGE-1 -BRIDLE GATE EST 1 (SG)

BEGE-2 -BRIDLE GATE EST 2 (SG)