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Utah County Recorder
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**BYLAWS
OF
SERGEANT COURT
HOMEOWNERS ASSOCIATION**

ARTICLE I
PLAN OF LOT OWNERSHIP

Section 1.1: *Name and Location.*

These are the Bylaws of the Sergeant Court Homeowners Association (the Association”). Sergeant Court is a community of single family lot owners that has been subjected to a Declaration of Covenants, Conditions and Restrictions for Sergeant Court recorded in Recorder’s Office of Utah County, Utah (the “Declaration”). These Bylaws are initially applicable to the recorded plat of Sergeant Court, as referenced in the Declaration.

Section 1.2: *Principal Office.*

The principal office of the Association shall be in a location as determined from time to time by the Board.

Section 1.3: *Purposes.*

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

Section 1.4: *Applicability of Bylaws.*

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

Section 1.5: *Composition of Association.*

The Association shall be composed of all Owners, including Bach Land and Development LLC, a Utah Corporation (the “Declarant”), and the Association, itself, to

the extent any of these own any Lot or Lots of the Property.

Section 1.6: *Incorporation of Association.*

(a) The Association shall be incorporated under the Utah Revised Nonprofit Corporation Act. The Articles of Incorporation of the Association shall be consistent with the Declaration and these Bylaws, and these Bylaws shall constitute the Bylaws of the incorporated association. The name of the association shall be “Sergeant Court Homeowners Association, Inc.”

(b) In the event the incorporated Association shall at any time be dissolved, whether inadvertently or deliberately, it shall automatically be succeeded by an unincorporated association of the same name. In that event, all of the property, powers and obligations of the incorporated association existing immediately prior to its dissolution shall thereupon automatically vest in the successor unincorporated association, which vesting shall thereafter be confirmed and evidenced by appropriate conveyances and assignments by the incorporated association. To the greatest extent possible, any such successor unincorporated association shall be governed by the Articles of Incorporation and Bylaws of the incorporated association as if they had been made to constitute the governing documents of the unincorporated association.

Section 1.7: *Definitions.*

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

ARTICLE II

MEETING OF ASSOCIATION

Section 2.1: *Place of Meeting.*

The Association shall hold meetings at such suitable place convenient to the Owners as may be designated by the Board of Directors from time to time.

Section 2.2: *Initial Meeting.*

The initial meeting of the Association shall be the first annual meeting of the Association pursuant to the provisions of Section 2.4 below, unless the Turnover Meeting is called by the Declarant prior to the date of the first annual meeting, in which case the initial meeting of the Association shall be the Turnover Meeting.

Section 2.3: *Turnover Meeting.*

(a) The Declarant shall call the Turnover Meeting pursuant to the provisions of Section 2.6 below. The purpose of the meeting shall be to organize the Association and to elect directors. If the Turnover Meeting is not called within the time specified, the meeting may be called and notice given by any Owner or first mortgagee of a unit.

(b) At the Turnover Meeting, the Declarant shall turn over to the Owners the responsibility for the administration of the Association, and the Owners shall accept the administrative responsibility from the Declarant. The Declarant shall deliver to the Association all records, documents and instruments relating to the Property and the Association.

Section 2.4: *Annual Meetings.*

Each regular annual meeting of the members shall be held each year on the day and at a time and place within the state of Utah selected by the Board.

Section 2.5: *Special Meetings.*

Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the at least thirty percent (30%) of the members stating the purpose of the meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

Section 2.6: *Notice of Meetings.*

Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person designated by the Board, in a fair and reasonable manner, including by delivering a copy of such notice to each member entitled to vote thereat, in accordance with the notice requirements specified in these Bylaws, and sufficiently in advance of the meeting to provide fair and reasonable notice of the meeting, as determined by the Board. Notice shall always be deemed fair and reasonable if given 15 days before the meeting, but shorter notice may also be fair and reasonable when all the circumstances are considered. The notice shall specify the place, day and hour of the meeting, and must include a description of any matter that must be approved by the members and, in the case of a special meeting, the purpose of the meeting.

Section 2.7: Voting.

Each Lot shall be allocated one vote in the affairs of the Association as provided in the Section 11.3 of the Declaration. The Board of Directors shall be entitled to vote on behalf of any Lot which has been acquired by or on behalf of the Association, except the Board of Directors shall not be entitled to vote such Lots in any election of directors.

Section 2.8: Proxies, Absentee Ballots and Rights of Mortgages.

(a) Proxies

(1) A vote may be cast in person or by proxy. A proxy given by an Owner to any person who represents the Owner at meetings of the Association shall be in writing, dated and signed by such Owner and shall be filed with the secretary in accordance with procedures adopted by resolution of the Board of Directors.

(2) 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.

(3) No proxy shall be valid if it purports to be revocable without notice.

(4) An Owner may not revoke a proxy given except by actual notice of revocation to the person presiding over a meeting of the Association or to the Board of Directors if a vote is being conducted by written ballot in lieu of a meeting pursuant to Section 2.14 below.

(5) Every proxy shall automatically cease upon sale of the Lot.

(b) Absentee Ballots. At the discretion of the Board of Directors, a vote may be cast by absentee ballot.

(c) Mortgage Rights.

(1) An Owner may pledge or assign the owner's voting rights to a Mortgagee. In such a case, the Mortgagee or its designated representative shall be entitled to receive all notices to which the owner is entitled hereunder and to exercise the owner's voting rights from and after the time that the Mortgagee shall have given written notice of the pledge or assignment to the Board of Directors.

(2) Any first Mortgagee may designate a representative to attend all or any meetings of the Association.

Section 2.9: Fiduciaries and Joint Owners.

(a) Fiduciaries. An executor, administrator, guardian, or trustee may vote in person or by proxy, at any meeting of the Association with respect to any Lot owned or held in such capacity, whether or not the same shall have been transferred to his or her name; provided, that the person shall satisfy the secretary that he or she is the executor, administrator, guardian, or trustee holding the Lot in such capacity.

(b) Joint Owners. Whenever any Lot is owned by two or more persons jointly, according to the records of the Association, the vote of the Lot may be exercised by any one of the Owners then present, in the absence of protest by a co-owner. In the event of a protest, no one co-owner shall be entitled to vote without the approval of all

co-owners. In the event of disagreement among the co-owners, the vote of the Lot shall be disregarded completely in determining the proportion of votes given with respect to the matter.

Section 2.10: *Quorum of Owners.*

(a) At "Quorum" means the minimum number of Owners (when duly assembled at a meeting or casting a written ballot in an action without a meeting) necessary to make the proceedings valid.

(b) At any regular annual meeting of the Association, the Owners 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, Owners holding one-third (1/3) of the voting rights, represented in person, by proxy, or by written ballot, shall constitute a quorum.

(c) If any meeting of Owners cannot be organized because of a lack of quorum, the Owners who are present may adjourn the meeting to a time at least 48 hours from the time of the meeting at which a quorum was not present and Owners holding twenty percent (20%) of the voting rights, represented in person, by proxy, or by written ballot, shall constitute a quorum at such adjourned meeting.

(d) When a quorum is once present to organize a meeting it cannot be broken by the subsequent withdrawal of an Owner or Owners.

Section 2.11: *Binding Vote.*

Action on a matter other than the election of directors is approved and shall be binding upon all owners for all purposes 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, the Declaration or these Bylaws.

Section 2.12: *Order of Business.*

The order of business at annual meetings of the Association shall be according to the order established by the President.

Section 2.13: *Meeting Procedure.*

Rules of order may be adopted by resolution of the Board, otherwise, the President shall conduct meetings according to the procedure he or she deems fit. A decision of the Association may not be challenged on the basis that appropriate rules of order were not used.

Section 2.14: *Action By Written Ballot in Lieu of a Meeting.*

(a) Action By Written Ballot. At the discretion of the Board of Directors, any action, except election or removal of directors, that 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 Owner that is entitled to vote on the matter not less than twenty (20) days prior to the date on which the ballots must be received by the Association in order to be counted.

(b) Form and Effect of Ballot

(1) The written ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action.

(2) A written ballot may not be revoked.

(c) Information Required in Ballot Solicitations. All solicitations for votes by written ballot must:

(1) State the number of responses needed to meet any applicable quorum requirements and the total percentage of votes needed for approval.

(2) 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 Subsection (d) of this section:

(a) The date on which the Association has received a sufficient number of approving ballots to pass the proposal;

(b) The date on which the Association has received a sufficient number of disapproving ballots to render the proposal impossible of passage; or

(c) A date certain on which all ballots must be returned to be counted.

(d) Secrecy Procedure. The Board of Directors may elect to conduct a vote pursuant to this section by a secrecy procedure whereby a written ballot is accompanied by:

- (1) A secrecy envelope;
- (2) A return identification envelope

to be signed by the owners, and

(3) Instructions for marking and returning the ballot.

(e) Determination of Vote. The outcome of a vote by written ballot in lieu of a meeting shall be determined by the Board of Directors within forty-eight (48) hours of the deadline for return of ballots, or in the event the ballot return date is postponed, within forty-eight (48) hours of the postponed date. Matters that may be voted on by written ballot shall be deemed approved or rejected 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 when the date for return of ballots has passed, a quorum of owners has voted and the required percentage of approving votes has been received. Otherwise, the proposal shall be deemed to be rejected.

(2) If approval of a proposed action otherwise would require a meeting at which a specified percentage of owners must authorize the action, the proposal shall be deemed to be approved when the percentage of total votes cast in favor of the proposal equals or exceeds such required percentage. The proposal shall be deemed to be rejected when the number of votes cast in opposition renders approval impossible or when both the date for return or ballots has passed and such required percentage has not been met.

(3) Except as provided in Subsection (e)(4) of this section, votes may be counted from time to time before the final return date to determine whether the proposal has

passed or failed by the votes already cast on the date they are entered.

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

(f) Owner Notification of Ballot Results.

Each Owner shall be notified within ten (10) days after the ballots have been counted, by mail or other delivery of written notice, of the results of the ballot meeting or that a quorum of ballots was not returned.

Section 2.15: Action Without a Meeting

(a) Any action that may be taken at any annual, regular or special meeting of the Association, may be taken without a

meeting and without solicitation of written ballots pursuant to Section 2.14 above, if the action is taken by all of the owners entitled to vote on the action.

(b) The action must be evidenced by one or more written consents describing the action taken, signed by all of the owners entitled to vote on the action, and delivered to the Association for inclusion in the minutes or filing with the Association records.

(c) Action taken under this section is effective when the last owner signs the consent, unless the consent specifies an earlier or later effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

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ARTICLE III

BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 3.1: *Number and Qualification.*

(a) The affairs of the Association shall be governed by a Board of Directors composed of at least three (3) and not more than five (5) Board members, as determined by the Board, and elected as provided in Section 3.3 below.

(b) All directors must be an Owner or the co-owner of a Lot. However, multiple owners of the same Lot may not serve as directors simultaneously. An officer or employee of a corporation, a partner of a partnership, a trustee of a trust, a personal representative of an estate or an employee of a trust or estate, may serve on the Board if the corporation, partnership, trust or estate owns a Lot.

(c) A director shall be immediately disqualified to serve, or not qualified to be elected in the first place, if the director is more than 32 days delinquent in the payment of any assessment, charge or fine levied by the Association or if a violation exists as to the director's Lot for more than 10 days after the date of the first violation notice sent by the Association.

Section 3.2: *Interim Directors.*

Upon the recording of the Declaration, the Declarant shall appoint an interim board of three (3) directors, who shall serve until replaced by the Declarant or their successors have been elected by the Owners as provided in Section 3.3 below.

Section 3.3: *Election and Term of Office.*

(a) At the Turnover Meeting called by the Declarant, the interim directors shall resign and the Owners shall elect two directors to one-year terms and three directors to two-year terms, unless there are an insufficient number of candidates, in which case, two directors shall be elected to one-year terms and one director shall be elected to a two-year term. Directors elected subsequent to the Turnover Meeting shall serve for a term of two (2) years. Elections shall be staggered so all Board members are never elected in the same year.

(b) Nomination to the Board of Directors and election shall be as specified in Article IV below.

(c) All directors shall hold office until their respective successors shall have been elected by the members.

Section 3.4: *Vacancies.*

Vacancies on the Board of Directors, caused by any reason other than the removal of a director by a vote of the Association, shall be filled for the balance of the term of each directorship by vote of a majority of the remaining directors even though they may constitute less than a quorum. Each person so elected shall be a director until a successor is elected upon expiration of the term for which the person was elected by the other directors to serve.

Section 3.5: *Removal of Directors.*

(a) At any annual or special meeting, other than a meeting by written ballot conducted

pursuant to Section 2.14 above, any one or more of the directors, other than interim directors, may be removed, with or without cause, by a majority of the Owners present in person or by proxy, at a duly constituted meeting. 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 owners may be given an opportunity to be heard at the meeting.

(b) The Board of Directors, pursuant to Section 6.2(c) below, may declare the office of a member of the Board of Directors to be vacant in the event such member is absent from three (3) consecutive regular meetings of the Board of Directors. The vacancy shall be filled as provided in Section 3.4 above.

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Section 3.6: *Compensation.*

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

Section 3.7: *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, in accordance with U.C.A. 16-6a-813. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE IV

NOMINATION AND ELECTION OF DIRECTORS

Section 4.1: *Nomination.*

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Nomination for election to the Board shall be made in the manner determined by the Board, which may include a nominating committee and/or nominations from the floor at a meeting. If one is established, 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.

Section 4.2: *Election.*

Election to the Board of Directors shall be by written ballot, which shall include electronic ballot or voting by other electronic means, as provided for herein. At the election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE V

MEETINGS OF DIRECTORS

Section 5.1: *Organizational Meeting.*

(a) Location, Date and Time. The first meeting of a newly-elected Board of Directors shall be held within ten (10) days of election at such place, date and time as shall be fixed by the directors at the meeting at which the directors were elected and no notice shall be necessary to owners or to the newly elected directors in order to legally hold the meeting providing a majority of the elected directors are present.

(b) Procedure and Business. Until the election of new officers, the meeting shall be chaired by the outgoing president, or in the absence of such person, the outgoing secretary, regardless of whether the outgoing president or secretary is as member of the newly constituted board. At the organizational meeting, the Board of Directors shall elect officers in accordance with Section 7.2 below and may conduct any other Association business.

Section 5.2: *Regular Meetings.*

Regular meetings of the Board of Directors shall be held at least quarterly, at such place and hour as may be fixed from time to time by resolution of the Board. Should the meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 5.3: *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' notice to each director personally, by mail, e-mail, or

otherwise. The notice must state the time, place, and purpose of the meeting.

Section 5.4: *Meeting Procedure.*

Unless other rules of order are adopted by resolution of the Board of Directors:

(a) Meeting of the Board of Directors shall be conducted according to the last edition of Robert's Rules of Order published by the Robert's Rules Association.

(b) A decision of the Board of Directors may not be challenged because the appropriate rules of order were not used unless a person entitled to be heard was denied the right to be heard and raised an objection at the meeting in which the right to be heard was denied.

(c) A decision of the Board of Directors is deemed valid without regard to procedural errors related to the rules of order one year after the decision is made unless the error appears on the face of a written instrument memorializing the decision.

Section 5.5: *Open Meetings, Executive Sessions.*

(a) Open Meetings. Except as provided in Subsection (b) of this section, all meetings of the Board of Directors shall be open to Lot Owners. However, no Owner shall have a right to participate in the Board of Directors meeting unless the Owner is also a member of the Board. The president shall have the authority to exclude an Owner who disrupts the proceedings at a Board meeting.

(b) Executive Sessions. In the discretion of the Board, the following matters may be considered in executive session:

(1) Consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation or criminal matters;

(2) Personnel matters, including salary negotiations and employee discipline;

(3) The negotiation of contracts with third parties; and

(4) Collection of unpaid assessments.

(c) Executive Session Procedure.

(1) Except in the case of an emergency, the Board of Directors shall vote in an open meeting whether to meet in executive session. If the Board votes to meeting 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 owners. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting.

(2) A contract or an action considered in executive session does not become effective unless the Board, following the executive session, reconvenes in open meeting and votes on the contract or action, which must be reasonably identified in the open meeting and included in the minutes.

Section 5.6: Meetings by Telephonic or Electronic Communication.

In the event of an emergency, meetings of the Board of Directors may be conducted by telephonic communication or by the use of a means of communication that allows all members of the Board of Directors participating to hear each other simultaneously or otherwise to be able to communicate during the meeting.

Section 5.7: Notice to Owners of Meetings of Board.

For other than emergency meetings, notice of each Board of Directors meeting must be posted on the Association website, or at a place or places on the property, or in an Association newsletter, at least three (3) days prior to the meeting, or notice must be provided by a method otherwise reasonably calculated to inform the Owners of the meeting.

Section 5.8: Waiver of Notice.

Any director may, at anytime, waive notice of any meeting of the Board of Directors in writing, and the waiver shall be deemed equivalent to the giving of the notice. Attendance by a director at any meeting of the board shall constitute a waiver of notice by the director, except where the director 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 directors are present at any meeting of the board, no notice to directors shall be required and any business may be transacted at the meeting.

Section 5.9: *Quorum and Acts.*

At all meetings of the Board of Directors a majority of the existing directors shall constitute a quorum for the transaction of business and the acts of the majority of the directors present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

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ARTICLE VI

*POWERS, RIGHTS AND DUTIES OF THE BOARD OF DIRECTORS***Section 6.1: General Powers and Duties.**

The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, the Declaration or by these Bylaws directed to be exercised and done by the Owners.

Section 6.2: Specific Powers.

In addition to powers imposed by the Declaration, these Bylaws or by resolutions of the Association, the Utah Revised Nonprofit Corporation Act or other applicable law, the Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Area, 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.
- (b) Suspend the voting rights and right to use of any recreational facilities located on any Common Area of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. 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 or any provisions of the Declaration.
- (c) 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.

- (d) Employ a manager, independent contractor, or such other individuals, entities or employees as they deem necessary and to prescribe their duties.

Section 6.3: Specific Duties.

In addition to duties imposed by the Declaration, these Bylaws or by resolutions of the Association, the Utah Revised Nonprofit Corporation Act or other applicable law, the Board of Directors shall have the duty to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such a statement is requested in writing by twenty-five percent of the members who are entitled to vote;
- (b) Supervise all officers and agents;
- (c) As more fully provided in the Declaration, to:
 - (1) Fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period;
 - (2) Send written notice of each Assessment to every Owner subject thereto at least thirty (30) days in advance of each Annual Assessment period;
 - (3) Foreclose the lien against any Lots for which Assessments are not paid within thirty (30) days after the due date thereof or to bring an action at law against

the Owner personally obligated to pay same;

(d) Procure and maintain adequate liability and hazard insurance on property Owned by the Association or maintained by the Association if required by the Declaration or any supplemental declaration annexing Additional Property to the Community.

(e) Cause all officers or employees having fiscal responsibilities to be bonded as it may deem appropriate.

(f) Cause to be maintained the Common Area and any other areas shown on the Plat that may be owned by governmental entities who are not maintaining such areas and any other property required to be maintained by the Declaration or any supplemental declaration annexing Additional Property to the Community.

(g) Establish and maintain the financial accounts of the Association.

(h) Establish a budget for payment of all Common Expenses of the Association, and institute and maintain a voucher system for payment, which shall require a sufficient number of signatories thereon as may be reasonably necessary to prevent any misuse of the Association's funds.

(i) Prepare and distribute annual financial statements for the Community to each Owner.

(j) At least annually, cause the review of the insurance coverage of the Association as provided in the Declaration.

(k) File the Annual Report with the Utah Secretary of State, Department of Corporations and Commercial Code.

(l) Prepare or cause to be prepared and filed any required income tax returns or forms.

(m) In the Board's discretion, appoint an Architectural Control Committee, as provided in the Declaration; and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint such other committees as deemed appropriate in carrying out its purposes and employees of this Association, and to see that their duties are properly performed.

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ARTICLE VII

*OFFICERS AND THEIR DUTIES***Section 7.1: *Designation and Qualification.***

(a) Designation. The principal officers of the Association shall be a president, a vice-president, a secretary and a treasurer.

(b) Qualifications. The president and vice-president shall be members of the Board of Directors, but the other officers need not be directors or Owners. Any director may be an officer of the Association.

(c) 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 specified in subsection (a) of this section.

(d) 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 7.2: *Election and Vacancies.*

The officers of the Association may be elected by the Board of Directors at the organizational meeting of each new board held in accordance with Section 5.1 above or any Board of Directors' meeting thereafter to serve until their respective successors are elected at the next organizational meeting. If any office becomes vacant by reason of death, resignation, removal disqualification or any other cause, the Board of Directors shall elect a successor to fill the unexpired term at any meeting of the Board of Directors.

Section 7.3: *Resignation.*

Any officer may resign at any time by giving written notice to the Board, the president or the secretary. The resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

Section 7.4: *Removal of Officers.*

Officers shall hold office at the pleasure of the Board of Directors. Upon an affirmative vote of a majority of the members of the Board of Directors any officer may be removed, either with or without cause.

Section 7.5: *Compensation of Officers.*

No officer who is a member of the Board of Directors may receive any compensation from the Association for acting as an officer, unless the compensation is authorized by a binding vote of the Owners. The Board of Directors may fix any compensation to be paid to any officers who are not also directors.

Section 7.6: *Duties of Officers.*

The duties of the officers are as follows:

(a) President. The president shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors. The president shall have all of the general powers and duties which are usually vested in the office of president of an association. The president shall have the authority, but

not the obligation, to sign all leases, mortgages, deeds and other written instruments and may co-sign all checks and promissory notes.

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(b) Vice-President. 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. The Vice-President shall likewise have the authority, but not the obligation, to sign all leases, mortgages, deeds and other written instruments.

(c) Secretary. The secretary may keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association, have charge of such books and papers as the Board of Directors may direct, and in general, perform all of the duties incident to the office of secretary.

(d) Treasurer. The treasurer may have responsibility for the Association's funds and securities not otherwise held by a managing agent, and shall be responsible for causing full and accurate accounts of all receipts and disbursements to be kept in books belonging to the Association. The treasurer may be responsible for causing the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may, from time to time, be designated by the Board of Directors and disbursing funds as directed by resolution of the Board.

ARTICLE VIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each officer and director of the Association, in consideration of his or her services, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, civil or criminal, to which he or she may be a party by reason of being or having been a director or officer of the Association. The foregoing right to indemnification shall be exclusive of any other rights to which the director or officer or person may be entitled by law or agreement or vote of the members or otherwise.

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ARTICLE IX

RECORDS AND AUDITS

The Association shall maintain within the State of Utah all documents, information and other records of the Association in accordance with the Declaration, these Bylaws and the Utah Revised Nonprofit Corporation Act in the manner prescribed by a resolution adopted by the Board of Directors.

Section 9.1: *General Records.*

(a) The Board of Directors and managing agent or manager, if any, shall keep detailed records of the actions of the Board of Directors and managing agent or manager; minutes of the meetings of the Board of Directors; and minutes of the meeting of the Association.

(b) The Board of Directors shall maintain a Book of Resolutions containing the rules, regulations, and policies adopted by the Association and Board of Directors.

(c) The Board of Directors shall maintain a list of Owners and a list of all Mortgagees of Lots. The list of Owners shall specify whether the Owner is an Owner in Good Standing or a Suspended Owner.

(d) The Association shall retain within this state all records of the Association for not less than the period specified in applicable law, except that:

(1) Documents of a permanent nature such as the following, if available, must be maintained as permanent records of the Association:

(a) The as-built architectural, structural, engineering, mechanical, electrical and plumbing plans;

(b) The original specifications, indicating all subsequent material changes;

(c) The plans for underground site service, site grading, drainage and landscaping together with cable television drawings;

(d) Any other plans and information relevant to future repair or maintenance of the property; and

(e) A list of the general contractor and the electrical, heating and plumbing subcontractors responsible for construction or installation of common areas;

(2) Proxies and ballots must be retained for one year from the date of determination of the vote.

Section 9.2: *Records of Receipts and Expenditures.*

The Board of Directors or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Community, itemizing the maintenance and repair expenses of the Common Area or Association property and any other expenses incurred.

Section 9.3: Assessment Roll.

The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Lot. The account shall designate the lot number, the name and address of the Owner or Owners, the amount of each Assessment against the Owners, the dates and amounts in which the Assessment comes due, the amounts paid upon the account, and the balance due on the Assessments.

Section 9.4: Payment of Expenses.

Invoices for Association expenses must be presented to the Board for approval, except for invoices under an amount the Board determines, which the Association management company or Board member designated by the Board may pay without Board approval. Once approved, all invoices and Association expenses shall be paid by the Association management company or any Board member.

Section 9.5: Financial Reports and Audits.

(a) An annual report of the receipts and expenditures of the Association and a balance sheet showing assets and liabilities shall be rendered by the Board of Directors to all Owners and to all mortgagees of Lots who have requested the same in writing within ninety (90) days after the end of each fiscal year.

(b) From time to time the Board of Directors, at the expense of the Association, may obtain an audit by a certified public accountant or other financial review of the books and records pertaining to the Association and furnish copies thereof to the Owners and Mortgagees of Lots. At any time any Owner or Mortgagee may, at such

Owner's or Mortgagees own expense, cause an audit or inspection to be made of the books and records of the Association.

Section 9.6: Inspection of Records by Owners.

(a) Except as otherwise provided in Section 9.7 below, all records of the Association shall be reasonably available for examination by an Owner and any Mortgagee of a Lot pursuant to rules adopted by resolution of the Board of Directors.

(b) The Board of Directors shall maintain a copy, suitable for the purposes of duplication, of the following:

(1) The Declaration, Bylaws and any amendments in effect or supplements thereto, and rules and regulations of the Association.

(2) The most recent financial statement prepared pursuant to Section 9.5 above.

(3) The current operating budget of the Association.

(c) The Association, within five (5) business days after receipt of a written request by an owner, shall furnish the requested information required to be maintained under Subsection (b) of this section.

(d) The Board of Directors, by resolution, may adopt reasonable rules governing the frequency, time, location, notice and manner of examination and duplication of Association records and the imposition of a reasonable fee for furnishing copies of any documents, information or records described

in this section. The fee may include reasonable personnel costs incurred to furnish the information.

Section 9.7: *Records Not Subject to Inspection.*

Records kept by or on behalf of the Association may be withheld from examination and duplication to the extent the records concern:

- (a) Personnel matters relating to a specific identified person or a person's medical records.
- (b) Contracts, leases and other business transactions that are currently under negotiation to purchase or provide goods or services.
- (c) Communications with legal counsel that relate to matters specified in Subsections (a) and (b) of this section.
- (d) Disclosure of information in violation of law.
- (e) Documents, correspondence or management or board reports compiled for or on behalf of the association or the board of directors by its agents or committees for consideration by the board of directors in executive session held in accordance with Section 5.5(b) above.
- (f) Documents, correspondence or other matters considered by the board of directors in executive session held in accordance with Section 5.5(b) above.
- (g) Files of individual Owners, other than those of a requesting Owner or requesting mortgagee of an individual Owner,

including any individual Owner's file kept by or on behalf of the association.

Section 9.8: *Notice of Sale or Mortgage*

Immediately upon the sale or Mortgage of any lot, the Owner shall promptly inform the secretary or manager of the name and address of the purchaser, vendee or Mortgagee.

NOTES

ARTICLE X
ASSESSMENTS

Section 10.1: *Obligation to Pay Assessments.*

NOTES

Each member is obligated to pay to the Association Assessments specified in the Declaration which are secured by a continuing lien upon the lot against which the assessment is made.

Section 10.2: *Delinquent Unpaid Assessments.*

Any Assessments or portions thereof which are not paid when due shall be delinquent and subject to the remedies specified in Article XI of the Declaration. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment.

Section 10.3: *No waiver of Assessments.*

No Owner may waive or otherwise escape liability for the Assessment provided for in the Declaration by non-use of the Common Area or abandonment of the Owner's Lot.

ARTICLE XI

*AMENDMENTS***Section 11.1: *How Proposed.***

Amendments to the Bylaws shall be proposed by either a majority of the Board of Directors or by Owners holding at least thirty percent (30%) of the voting rights. The proposed amendment must be reduced to writing and must be included in the notice of any meeting at which action is to be taken thereon.

Section 11.2: *Adoption.*

Amendments may be approved by the Association at a duly constituted meeting or meeting by written ballot in lieu of a meeting conducted pursuant to Section 2.14 above for such purpose. Subject to Section 11.3 and 11.4 below, a vote of at least a two-thirds (2/3) of the Owners participating in a properly convened meeting, held for such purpose, is required for approval of any amendment.

Section 11.3: *Corrections and Regulatory Amendments.*

Notwithstanding the provisions of Sections 11.2 of this section and any other provision of these Bylaws, and in addition to all other special rights of the Declarant provided in the Declaration and these Bylaws, until the Turnover Meeting, Declarant, unilaterally without the approval or joinder by the Association, Owners, Mortgagee or other person shall have the right to amend these Bylaws in order to:

(a) Correct obvious typographical, mathematical or other similar errors;

(b) Comply with the requirements of any applicable statute, ordinance, regulation or guideline of the Federal Housing Administration, the Veterans Administration, the Farmers Home Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, any department, bureau, board, commission or agency of the United States, the State of Utah, Utah County, Saratoga Springs City or any corporation wholly owned, directly or indirectly, by the United States, the State of Utah, Utah County or Saratoga Springs City which insures, guarantees or provides financing for a community such as Sergeant Court or lots in such a community.

Section 11.4: *Declarant Consent.*

Any amendment must be approved by the Declarant, in writing, until the Turnover Meeting and as long as Declarant owns at least one Lot in the Community.

Section 11.5: *Additional Rights.*

Until the Turnover Meeting, the Federal Housing Administration or the Veterans Administration or the Department of Housing and Urban Development, or any successor agencies thereto, shall have the right to veto amendments while there if any such agency or any successor agencies thereto have approved the Properties, any part thereof, or any Lot, for federal mortgage financing.

Section 11.6: *Execution and Recording.*

NOTES

An amendment shall not be effective until certified by the president and secretary of the Association as being adopted in accordance with these Bylaws, acknowledged and recorded with the Recorder's Office of Utah County, Utah.

Section 11.7: *Challenge to Validity.*

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

ARTICLE XII

MISCELLANEOUS

Section 12.1: Notice.

(a) Association. All notices to the Association or the Board of Directors shall be sent care of the managing agent or, if there is no managing agent, to the principal office of the Association or to such other address as the Board of Directors may hereafter designate from time to time.

(b) Owners.

(1) Except as otherwise provided in the Declaration, these Bylaws or law, all notices to any Owner shall be sent to such address as may have been designated by him or her, from time to time, in writing to the Board of Directors, or if no address has been designated, then to the Owner's Lot.

(2) If a lot is jointly owned or the lot has been sold under a land sale contract, notice shall be sent to a single address, of which the secretary has been notified in writing by such parties. If no address has been given to the secretary in writing, then mailing to the lot shall be sufficient.

Section 12.2: Waiver, Precedent and Estoppel.

No restriction, condition, obligation, or provision contained in these Bylaws or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Association by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur and any failure to enforce the same shall not be deemed to constitute

precedent or estoppel impairing the right of the Association as to any similar matter.

Section 12.3: Invalidity, Number, Captions.

The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

Section 12.4: Fiscal Year.

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


Section 12.5: Conflicts.

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

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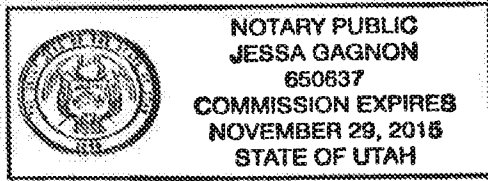
IN WITNESS WHEREOF, Sergeant Court Homeowners Association has executed these Bylaws this 1st day of April, 2015.

**SERGEANT COURT
HOMEOWNERS ASSOCIATION**


By: Kristin Dangerfield
Its: Secretary

STATE OF UTAH)
)ss:
County of Utah)

The foregoing instrument was acknowledged before me on this 1st day of April, 2015 by Kristin Dangerfield.




Notary Public

EXHIBIT A
Legal Description

Lots 1 through 55, FOURTH AMENDED PLAT OF SERGEANT COURT PHASE 2, according to the official plat thereof on record with the Utah County Recorder, Utah.

Serial Numbers 66:336:0001 through 66:336:0055

