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# Bylaws of the Monarch Meadows Owners' Association, Inc.

Iron County, Utah

Comprising:

Phase 1, lot numbers 1 through 60, *Monarch Meadows Phase 1 subdivision*  
D-1210-1 through D-1210-60 *AM* *amended,*

Phase 2, lot numbers 1 through 69 *Monarch Meadows subdivision phase 2.*  
D-1216-1 through D-1216-69

Board of Directors as of March 2020

Keith Greenhalgh, President

Chauncy S. Harris, Vice-president

Olivia Liddle, Treasurer

Brittanua Clark, Secretary

Jim Haigler

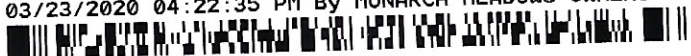
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## 1. DEFINITIONS

The definitions adopted by the Declaration are applicable to these Bylaws. In addition, a "Member," when capitalized, means an Owner. "Director" means a member of the Board.

## 2. NOTICE, ELECTRONIC MEANS, HOA REGISTRY

### 2.1 Notice.

2.1.1. Association. All notices to the Association or the Board 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 may designate from time to time.

2.1.2. Owners.

(a) Notice by Electronic Means. In any circumstance where notice or any other document is required to be provided to the Owners or an Owner, the Association may provide the notice or document by electronic means, including text message, email, or an Association website, if the Board deems the notice to be fair and reasonable. An Owner may require the Association, by written demand, to provide notice to the Owner by mail. The Board may promulgate Rules and procedures facilitating the implementation of this section from time to time, including a requirement that Owners furnish the Association with a current email address.

(b) Sufficient Notice. Any written notice provided by the Association to an Owner shall be deemed effective and received by the Owner when it is sent. "Sent" means mailed, emailed, or hand delivered. "Mailed" means deposited in the US mail, properly addressed, first-class postage prepaid, whether delivery is proved or not. Notice must be properly addressed to such physical or electronic address as given in writing by the Owner to the Board or if no address has been so given, then to the Owner's Lot or to an email address from which the Association has received email correspondence from the Owner. If a Lot is jointly owned, a notice or other document sent to only one of the foregoing physical or electronic addresses is sufficient. If three successive written notices given to an Owner have been returned as undeliverable, further notices to that Owner are not necessary but are deemed effective and received in any event until another address of the Owner is made known to the Association.

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



document, record, vote, ballot, proxy, or instrument required or permitted to be transmitted by an Owner or by the Association.

**2.3 Utah HOA Registry.** The Association shall register with the Utah Department of Commerce's Homeowner Associations Registry (currently at <https://secure.utah.gov/hoa>) and provide (1) the name and address of the Association, (2) the name, address, telephone number, and, if applicable, email address of the chair of the Board, (3) contact information for the manager, if any, and (4) the name, address, telephone number, and, if the contact person wishes to use email or facsimile transmission for communicating payoff information, the email address or facsimile number, as applicable, of a primary contact person who has Association payoff information that a closing agent needs in connection with the closing of a Lot Owner's financing, refinancing, or sale of the Owner's Lot. The Association shall update the information stated in this Section with the Utah HOA Registry within 90 days after a change in any of the information.

### **3. ASSOCIATION: MEETINGS, VOTING, QUORUM**

**3.1 Annual Meetings.** The Association shall hold an annual meeting of Members each year on the day and at a time and place within the state of Utah stated in the notice of such meeting.

**3.2 Special Meetings.** The Association, by and through the Board, shall notice, hold and conduct a special meeting of its Members: (1) on call of the president or any two members of the Board, or (2) if the Association receives one or more written demands for the meeting that state the purpose for which the meeting is to be held and are signed and dated by Owners in Good Standing holding at least 25% of the voting rights of the Association. When a special meeting is requested by the Owners, the Board shall set the time and date for the meeting so that the meeting occurs within 65 days of receipt of the request and if notice of the meeting is not given by the Board within 30 days after the date the written request is received by a Board member or the Manager, a person signing the request may set the time and place of the meeting and give notice pursuant to the requirements herein. Business transacted at a special meeting shall be confined to the purposes stated in the notice of the meeting.

**3.3 Notice of Meetings.** Written notice of each meeting of the Association Members shall be given by the Association in a fair and reasonable manner and shall be given to each Owner in Good Standing, in accordance with the notice requirements specified in these Bylaws, and sufficiently in advance to provide fair and reasonable notice of the meeting, as determined by the Board. Notice is fair and reasonable if given 10 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.

**3.4 Member List.** The Association shall have no obligation under Utah Code Section 16-6a-710 to prepare or make available a list of the names of its Members in connection with a meeting or action by written ballot.

**3.5 Voting.** Each Lot in Good Standing is allocated one vote.

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**3.6 Proxies and Absentee Ballots.** A vote may be cast in the manner determined by the Board, including in person, by proxy or by absentee ballot. All proxy appointments shall be in writing, dated and signed by the Owner and shall be filed with the secretary in accordance with any procedures adopted by the Board. A proxy given for a specific meeting shall be valid for any adjournment of that meeting, unless otherwise stated in the appointment of proxy. An appointment of a proxy is valid for 11 months unless a different period is stated in the appointment form. An appointment of a proxy is revoked by the person appointing the proxy: (1) attending any meeting and voting in person, (2) giving written notice to the Board that the appointment of the proxy is revoked, or (3) giving a subsequent appointment form to the Board.

**3.7 Quorum of Owners.**

3.7.1. “Quorum” means the minimum number of Owners necessary to make proceedings or an action valid. When a quorum is once present to organize a meeting it is not broken by the subsequent withdrawal of an Owner.

3.7.2. At Annual Meeting. At any annual meeting of the Association membership, a quorum is those Owners that are present or represented for any purpose, and at least one Board member present in person, except for matters for which the Declaration or these Bylaws require a higher quorum.

3.7.3. At Special Meetings and Action without Meeting. At any special meeting of the Association membership, and for any action taken without a meeting, Owners holding one-third (1/3) of the Association voting rights, represented in person, by proxy, by written ballot or written consent, and at least one Board member present in person, shall constitute a quorum, except for matters for which the Declaration or these Bylaws require a higher quorum. If any meeting or action of the Owners cannot be organized because of a lack of quorum, the Board may adjourn the meeting or action to a time at least 48 hours from the time of the meeting or action at which a quorum was not present and Owners holding twenty percent (20%) of the voting rights, represented in person, by proxy, by written ballot or written consent, shall constitute a quorum at such adjourned meeting or vote.

**3.8 Binding Vote.** Action on a matter other than the election of Board members is approved and shall be binding 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 or the Governing Documents.

**3.9 Order of Business.** The order of business at annual meetings of the Association shall be according to the order established by the president, and by way of example, may include the following: (a) calling of the roll and certifying of proxies; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of the preceding meeting; (d) reports of officers; (e) reports of committees, if any; (f) election of Board members; (g) unfinished business; (h) new business; (i) Owner comments and questions; and (j) adjournment.

**3.10 Meeting Procedure.** Rules of order may be adopted by resolution of the Board, otherwise, the president shall conduct meetings and determine any procedures to be followed and shall have



authority to fix the period of time allowed for the registration of Owners and the filing of proxies, to determine the order of business to be conducted at such meeting and to establish reasonable rules for expediting the business of the meeting (including any informal, comment, or question and answer portions). A decision of the Association may not be challenged on the basis that appropriate rules of order were not used.

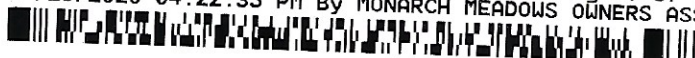
**3.11 Minutes of Owner Meetings.** The secretary or other person the Board delegates shall take minutes of all meetings of the Owners. The minutes shall include, at a minimum, (1) the identification of the Owners present in person and by proxy, (2) the meeting date, (3) the identification of any issue that is voted on or decided in the meeting, (4) the number of votes cast for and against an issue, and (5) the exact wording of any item approved at the meeting. Failure to comply with this section does not invalidate any action taken at a meeting. Minutes are permanent records of the Association and shall be kept and made available in accordance with Section 9.

**3.12 Action by Written Ballot without a Meeting.** Any action that may be taken at any annual, regular, or special meeting of Owners may be taken without a meeting if the Association causes to be delivered a written ballot to every Owner entitled to vote on the matter not less than 15 days prior to the date on which the ballots must be received by the Association in order to be counted. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. The ballot or a writing accompanying the ballot shall: (1) state the number of responses needed to meet quorum requirements; (2) state the percentage of approvals necessary to approve each matter; (3) specify the time by which a ballot must be received by the Association in order to be counted; and (4) be accompanied by written information sufficient to permit each person casting a ballot to reach an informed decision on the matter. In the event the action is for election of Board members, there shall be space on the ballot to write in nominations. Action taken under this section has the same effect as action taken at a meeting. The Board may elect to conduct a vote pursuant to this section by a secrecy procedure determined by the Board whereby a written ballot is accompanied by: (i) a secrecy envelope; (ii) a return identification envelope to be signed by the Owner; and (iii) instructions for marking and returning the ballot. Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

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

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**3.14 Voting by Fiduciaries and Joint Owners.** An executor, administrator, guardian, or trustee may vote with respect to any Lot owned or held in such capacity, whether or not the Lot has been transferred to the person's name; provided, that the secretary is satisfied that the person is the executor, administrator, guardian, or trustee holding the Lot in such capacity. 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, in the absence of protest by a co-Owner prior to the tallying of votes, so long as only one vote for such Lot is cast. In the event of a protest prior to the vote tally or of the casting of two or more conflicting votes, the vote of the Lot shall be disregarded completely, except the vote shall count toward any quorum requirement.

**3.15 Record Date – Determining Owners Entitled to Notice and Vote.** Unless a different date is set by the Board, the Owners entitled to notice of a meeting are the Owners reflected in the Association's records at the close of business on the business day before the day notice is given. The Owners entitled to vote at an Association meeting are the Owners: (1) reflected in the Association's records on the date and time of the start of the meeting, and (2) who are otherwise eligible to vote. The Owners entitled to vote in an action under Sections 3.12 or 3.13 are the Owners: (1) on the date the first written consent or ballot is solicited or sent, and (2) who are otherwise eligible to vote.

**3.16 Resolution of Voting Disputes.** In the event of any dispute as to the entitlement of any Owner to vote, the required procedures and process for a vote of the Owners, or as to the result of any vote of Owners, the Board shall act as arbitrator and the decision of a majority of the disinterested and independent directors present at a meeting of the Board (including the decision of a single disinterested and independent director, if only one), whether or not such independent directors constitute a quorum, shall, when rendered in writing, be final and binding as an arbitration award and may be acted upon as such in accordance with Utah law.

#### **4. BOARD: SELECTION, ELECTION, TERM OF OFFICE**

##### **4.1 Number, Term and Qualifications.**

4.1.1. 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 from time to time by the Board except that no decrease in number shall have the effect of shortening the term of any incumbent Board member without that Board member's consent, and any vacancies caused by an increase shall only be filled by vote of the Owners in Good Standing.

4.1.2. The term of a Board member is three (3) years. Elections shall be staggered so all Board members are never elected in the same year. Despite the expiration of a Board member's term, a Board member continues to serve until the Board member's successor is elected.

4.1.3. A Board member must be an Owner in Good Standing or the spouse of an Owner in Good Standing. A representative of an entity which entity is an Owner in Good Standing, and only one such representative, may serve on the Board, such that a shareholder of a corporation, a member of an LLC, a partner of a partnership, a trustee or beneficiary of a trust, or a personal

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representative of an estate, may serve on the Board if the corporation, LLC, partnership, trust or estate owns a Lot as an Owner in Good Standing.

**4.2 Nomination.** Nomination for election to the Board shall be made in the manner determined by the Board, which may include a nominating committee, nominations from the floor at a meeting, or the requirement that nominations (including self-nominations) be made by petition filed with the Association a specified number of days prior to the annual meeting, which petition shall be signed by the nominee named therein indicating his or her willingness to serve as a member of the Board, if elected. The Board may, but is not obligated to, inquire of the Owners to identify those having an interest in serving on the Board. The Board or, if 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. Self-nomination of candidates who qualify for election shall be permitted, provided they comply with any procedures for self-nomination stated herein or determined by the Board.

**4.3 Election.** 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. Voting in an election shall be by written ballot. The persons receiving the largest number of votes shall be elected. If only one candidate has been nominated for a position and there is no possibility for another candidate to be nominated under the procedures determined by the Board, the president may declare the nominee elected without a formal vote. Cumulative voting is not permitted. In the event of a tie between two or more candidates, another vote shall be held and if the tie persists, the Board shall determine whether voting continues until there is no longer a tie, or to adjourn the vote to another date or to a subsequent annual meeting. In the event of such a tie, no candidate is elected and the incumbent Board member continues to serve until a successor is elected or properly appointed.

**4.4 Vacancies.** Vacancies on the Board, unless caused by the removal of a Board member by a vote of the Owners under Section 4.6.1, or by an increase in the number of Board members under 4.1.1, shall be filled for the balance of the term by vote of a majority of the remaining Board members even though they may constitute less than a quorum. Each person so elected shall be a Board member until a successor is elected upon expiration of the term for which the person was elected by the other Board members to serve.

**4.5 Compensation.** No Board member shall receive compensation for any service he or she may render to the Association as a Board member. However, any Board member may be reimbursed for actual expenses incurred in the performance of his or her duties. Nothing herein shall preclude a Board member from receiving compensation for any other service performed for the Association other than as a Board member or officer.

#### **4.6 Removal of Board Members.**

4.6.1. At any annual or special meeting, any one or more of the Board members may be removed, with or without cause, by a majority of the total voting interests of all Owners of the Association. 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 Board member

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whose removal has been proposed by the Owners may be given an opportunity to be heard at the meeting.

4.6.2. A Board member who is delinquent in the payment of an Assessment for longer than three months, is absent from three consecutive regular meetings of the Board, or is absent from more than 25% of the regular Board meetings held in any 12 month period, shall be deemed to have tendered his or her resignation, and upon acceptance by the Board his or her position shall be vacant. The vacancy shall be filled as provided in Section 4.4 above.

## **5. BOARD MEETINGS**

**5.1 Meeting Definition.** "Meeting," when capitalized in this Section, means a gathering of the Board, whether in person or by means of electronic communication in real time under Section 5.6, at which the Board can take binding action.

**5.2 Regular Meetings.** Regular Meetings of the Board shall be held at such place and hour as may be fixed from time to time by the Board, and if so fixed, no notice thereof need be given. 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, or at another date and time agreed upon by the Board with notice to all members of the Board.

**5.3 Special Meetings.** Special Meetings of the Board shall be held when called by the president, or by any two Board members, after not less than forty-eight hours' notice to each Board member by mail, electronic mail, telephone, or facsimile, unless waived pursuant to 5.8 below. The notice must state the time, place, and purpose of the Meeting.

**5.4 Meeting Procedure.** Formal rules of order shall only apply to any Board Meeting or Association meeting inasmuch as one or more such rules of order are adopted by the Board by resolution. Meetings of the Board shall be conducted by the president. In any event, a decision of the Board may not be challenged because appropriate rules of order were not used.

### **5.5 Open Board Meetings; Executive Sessions.**

5.5.1. Open Board Meetings. Except as provided in subsection 5.5.3, all Meetings of the Board shall be open to Owners. At each Meeting, the Board shall provide each Owner a reasonable opportunity to offer comments. The Board may limit the comments to one specific time period during the Meeting and may limit the time allotted to each Owner so long as the time allotted is determined by a majority of the Board members present. Beyond such comment period, no Owner shall have a right to participate in the Board Meeting unless the Owner is also a member of the Board. The president or Board shall have the authority to exclude an Owner who disrupts the proceedings at a Board Meeting. The Board may adopt policies governing Meetings from time to time, including policies to reflect current Utah law (which Utah law may change more frequently than these Bylaws). If such Utah law supersedes any provision of these Bylaws, the policy adopted by the Board shall also supersede these Bylaws to the extent the policy restates then current Utah law.

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5.5.2. Notice of Board Meeting. At least 48 hours before a Board Meeting, the Association shall give written notice of the Meeting via email to each Owner who requests notice of a Board Meeting ("Meeting Notice"), unless notice of the Meeting is included in a Meeting schedule that was previously provided to the Owner or the Meeting is to address an emergency and each Board member receives notice of the Meeting less than 48 hours before the Meeting. A Meeting Notice shall: (1) be delivered to the Owner by email, to the email address that the Owner provides to the Association; (2) state the time and date of the Meeting; (3) state the location of the Meeting; and (4) if a Board member may participate by means of electronic communication under Section 5.6 below, provide the information necessary to allow the Owner to participate by the available means of electronic communication.

5.5.3. Executive Sessions. In the discretion of the Board, the Board may close a Board Meeting and adjourn to executive session to: (1) consult with an attorney for the purpose of obtaining legal advice; (2) discuss ongoing or potential litigation, mediation, arbitration, or administrative proceedings; (3) discuss a personnel matter; (4) discuss a matter relating to contract negotiations, including review of a bid or proposal; (5) discuss a matter that involves an individual if the discussion is likely to cause the individual undue embarrassment or violate the individual's reasonable expectation of privacy; or (6) discuss a delinquent assessment or fine.


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

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

**5.7 Minutes of Board Meetings.** The secretary (or other person as the Board may delegate) shall take minutes of all Board meetings. The minutes shall include, at a minimum, (1) the identification of the Board members present, (2) the meeting date, (3) the identification of any issue that is voted on or decided in the meeting, (4) the number of votes cast for and against any issue decided upon, and (5) the exact wording of any item approved at the meeting. Failure to comply with this section does not invalidate any action taken at a meeting. Minutes are permanent records of the Association and shall be kept and made available in accordance with Section 9.

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

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**5.9 Quorum and Acts; Board Proxies.** At all Meetings of the Board, a majority of the existing Board members shall constitute a quorum for the transaction of business and the acts of the majority of the Board members represented shall be the acts of the Board. If, at any Meeting of the Board, there is 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.

For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Board member may be considered to be present at a Meeting and to vote if the Board member has granted a signed written proxy: (1) to another Board member, or other person, who is present at the Meeting; and (2) authorizing the other Board member or person to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy (a directed proxy).

**5.10 Action by Board without a Meeting.**

5.10.1. Notice. Response. Subject to subsection 5.10.3, the Board may take any action (vote on any decision) in the absence of a Meeting which it could take at a Meeting if either:

- (1) all Board members vote in favor of the action in writing, or
- (2) if notice of the vote is sent to each Board member and no Board member demands that action not be taken without a meeting. The action must receive the number of votes that would be necessary to take such action at a meeting at which all of the Board members then in office were present and voted.

5.10.2. Content of Notice. The notice required by subsection 5.10.1(2) (the "Notice") shall include: (1) the action to be taken; (2) the time by which a Board member must respond to the Notice; (3) that failure to respond by the time stated in the Notice will have the same effect as abstaining in writing by the time stated in the Notice, and failing to demand in writing by the time stated in the Notice that action not be taken without a Meeting.

5.10.3. Meeting Required to Adopt Rules. The Board may not adopt, amend, modify, cancel, limit, create exceptions to, or expand the Rules without a Meeting.

5.10.4. Waiver of Meeting. A Board member's right to demand that action not be taken without a Meeting is waived unless the Association receives such demand from the Board member in writing by the time stated in the Notice.

5.10.5. Revocation. A Board member may revoke in writing a vote, abstention, or demand that action not be taken without a Meeting at any time before the time stated in the Notice.

5.10.6. Electronic Transmission. Any communication, including under this Section, may be delivered by an electronic transmission. An electronic transmission communicating a vote, abstention, demand, or revocation is considered to be written, signed, and dated for purposes of



5.10.7. Record of Action. A record of an action taken by the Board without a Meeting shall be kept as a permanent record in accordance with Section 9 and the law.

6.4.2. A Board member shall avoid conflicts of interest or conflicting interest transactions, unless: (1) the material facts as to the Board member's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board. (2) the Board in

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good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Board members (even if the disinterested Board members are less than a quorum), and (3) the conflicting interest transaction is fair as to the Association.

## **7. OFFICERS AND THEIR DUTIES**

### **7.1 Designation and Qualification.**

7.1.1. Designation. The principal officers of the Association shall be a president, a vice-president, a secretary and a treasurer. The Board may designate the office of assistant treasurer and assistant secretary. Officers shall have such authority and perform such duties as the Board may, from time to time, determine. An officer shall hold office for such period as the Board determines when the officer is elected by the Board members, and if no such determination is made, an officer shall hold office for one year.

7.1.2. Qualifications. The principal officers must be Board members (and shall cease to be an officer upon ceasing to be on the Board). Any Board member may be an officer of the Association.

7.1.3. Multiple Offices. A person may simultaneously hold more than one office.

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

**7.2 Election and Vacancies.** The members of the Board shall elect the principal officers of the Association at a Meeting or by action without a Meeting. An officer serves until the sooner of: (1) the expiration of the officer's term as a Board member, or (2) the election of the officer's successor. If any office becomes vacant for any reason, the Board shall elect a successor to fill the unexpired term.

**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.

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

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

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**7.6 Duties of Officers.** Officers shall have such duties prescribed with respect to the office by the Declaration, Bylaws, and the Board. The Board may prescribe, expand or limit the authority and duties of officers, despite anything to the contrary in this Section 7.6. The Board may delegate any powers or duties of officers to other persons or agents as the Board deems necessary or appropriate from time to time. Any principal officer may execute, certify, and record amendments to the Declaration on behalf of the Association in accordance with the amendment provisions of the Declaration. Subject to any expansion or limitation of the authority and duties of an officer by the Board, the general duties of the principal officers are as follows.

7.6.1. President. The president shall be the chief executive officer of the Association and shall exercise general supervision over its property and affairs. The president shall preside at all meetings of the Association and of the Board. 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 to sign all leases, mortgages, deeds and other written instruments, including amendments to the Governing Documents.

7.6.2. 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 to sign all leases, mortgages, deeds and other written instruments.

7.6.3. Secretary. The secretary shall prepare and maintain the minutes of all Meetings of the Board and the minutes of all meetings of the Association. The secretary shall keep and make available records in the manner required by Section 9.2.4. The secretary is responsible for the preparation, maintenance and preservation of the records and information required to be kept by the Association under Section 9 of these Bylaws, by the Act, and by Section 16-6a-1601 of the Utah Revised Nonprofit Corporation Act, and has charge of such books, papers and records as the Board may direct. The secretary is responsible for authenticating records of the Association, and in general, shall perform all the duties incident to the office of secretary. The Board may delegate to another person, including a Manager, any of the duties of the secretary.

7.6.4. Treasurer. The treasurer shall have responsibility for the Association's funds and securities not otherwise held by a Manager, and shall be responsible for causing full and accurate accounts of all receipts and disbursements to be kept in records belonging to the Association and for cooperating with the secretary to ensure financial records are kept and made available in accordance with Section 9 of these Bylaws and the law. The treasurer is 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 and disbursing funds as directed by the Board.

## **8. LIABILITY; INDEMNIFICATION OF DIRECTORS**

### **8.1 No Volunteer Liability.**

8.1.1. No volunteer providing services for the Association, including a volunteer Board member or officer, incurs any of the following if (a) the individual was acting in good faith and

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reasonably believed the individual was acting within the scope of the individual's official functions and duties with the Association, and (b) the damage or injury was not caused by an intentional or knowing act by the volunteer which constitutes illegal, willful, or wanton misconduct: (1) legal liability for any act or omission of the volunteer while providing services for the Association, and (2) personal financial liability for any (i) contract claim under any agreement, instrument or transaction entered into by such person on behalf of the Association, (ii) tort claim or other action seeking damage for an injury (including physical, nonphysical, economic, and noneconomic damage) arising from any act or omission of the volunteer while providing services for the Association, or (iii) any claim arising out of the use, misuse or condition of any part of the Property that might in any way be assessed against or imputed to the volunteer as a result of or by virtue of their capacity as a volunteer, director, officer or committee member, including by any victim of a crime occurring at the Property.

8.1.2. "Volunteer" means any individual performing services for the Association who does not receive anything of value from the Association for those services except reimbursements for expenses actually incurred and annual compensation equal to no more than the annual assessment amount per Lot.

8.1.3. The protection against volunteer liability provided by this Section does not apply (1) to injuries resulting from a volunteer's operation of a motor vehicle, or (2) when a suit is brought by an authorized officer of a state or local government to enforce a federal, state, or local law.

**8.2 Indemnification.** Each officer and Board member shall be indemnified by the Association to the fullest extent permitted by law, including the Utah Revised Nonprofit Corporation Act (regardless of the Association's corporate status or lack thereof) against expenses and liabilities incurred by such person in connection with the defense of any actual or threatened action, suit or proceeding, civil or criminal, to which the person is or may be a party by reason of being or having been a Board member or officer of the Association, and upon submitting notice to the Association of any such action, suit or proceeding, the Association shall undertake all costs of defense and advancement of loss to the fullest extent permitted by law, until and unless it is proven that the alleged damage or injury was caused by an intentional or knowing act by the person which constitutes illegal, willful, or wanton misconduct. Upon such proof, the Association is not liable for such cost of defense or loss, and may recover amounts already expended from the officer or Board member who so acted. The right to indemnification provided by this section shall not be exclusive of any other rights to which the Board member or officer may be entitled by law or agreement or otherwise. Punitive damages may not be recovered against the Association.

## 9. RECORDS AND AUDITS

**9.1 Records Kept.** The Association shall maintain within the state of Utah all documents, information and other records of the Association in accordance with the Governing Documents, the Community Association Act and the Utah Revised Nonprofit Corporation Act.

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## 9.2 General Records.

9.2.1. Permanent Records. The Association shall keep (or cause to be kept) as permanent records: (1) The Declaration, Bylaws and Articles of Incorporation, (2) minutes of all meetings of the Association and of the Board; (3) a record of all actions taken without a meeting by the Association or the Board; (4) a record of all actions taken by a committee of the Board in place of the Board on behalf of the Association; and (5) a record of all waivers of notices of meetings of Members and of the Board or any committee of the Board.

9.2.2. Resolutions and Rules. The Association shall maintain (1) a record of the Rules and policies adopted by the Association, (2) appropriate accounting records, and (3) a record of its Members in a form that permits preparation of a list of the name and address of all Members in alphabetical order, and showing the number of votes each Member is entitled to vote.

9.2.3. Assessment Roll. There shall be an account for each Lot in the assessment roll. 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.

### 9.2.4. Certain Records.

(a) The Association shall keep and make available to Owners without charge, through the Association website, or, if the Association does not have an active website, then physical copies of the documents shall be made available to Owners during regular business hours at the Association's address registered with the Department of Commerce's Utah HOA Registry, a copy of the Association's: (1) Declaration and Bylaws, (2) most recent approved minutes, and (3) most recent budget and financial statement.

(b) In addition, the Association shall keep a copy of each of the following records at its principal office (copies of such records kept electronically by an Association officer or manager shall satisfy this requirement regardless of where located as long as such electronic records are capable of being transmitted to, or viewed by, others, such as via email from an electronic storage medium or via website): (1) all Governing Documents; (2) the minutes of all Association meetings for a period of three years; (3) records of all action taken by Owners without a meeting, for a period of three years; (4) all written communications to Owners generally as Owners for a period of three years; (5) a list of the names and business or home addresses of the current Board members and officers; (6) a copy of its most recent annual report (annual renewal) delivered to the Division of Corporations under Utah Code Section 16-6a-1607; and (7) all financial statements prepared for periods ending during the last three years, if any, that show in reasonable detail the assets and liabilities and results of the operations of the Association.

9.2.5. Form of Records. The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time. "Written form" does not mean exclusively paper form. The Association may maintain any of its records by retaining an electronic record of the information in the record that: (1) accurately reflects the

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information set forth in the record after it was first generated in its final form as an electronic record or otherwise, and (2) remains accessible for later reference.

**9.3 Financial Reports and Audits.** Upon written request by an Owner, 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 to the person making the request within ninety days after the end of each fiscal year. From time to time, the Board, 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.

#### **9.4 Availability of Records to Owners.**

9.4.1. Owner May Elect Method. An Owner may elect whether to: (1) view and copy records in person, (2) receive hard copies of records, or (3) receive the records electronically.

(a) In Person. If an Owner elects to view and copy records in person, the Owner must bring imaging equipment to the inspection which shall be at a reasonable place, and during such hours specified by, the Association and the Association shall provide the necessary space, light, and power for the imaging equipment.

(b) Receive Hard or Electronic Copies. If an Owner elects to receive hard copies of records or to receive records electronically, the Owner may request a recognized third party duplicating service to make the copies and any necessary electronic scans of documents, in which case, the Association shall arrange for the delivery and pick up of the original documents, and the Owner shall pay the duplicating service directly. If the Association makes the copies or electronic scans, the Owner shall pay the Association the reasonable cost of the copies or of any necessary electronic scans of documents, which may not exceed: (1) the actual cost that the Association paid to a recognized third party duplicating service to make the copies or electronic scans; or (2) if an agent of the Association makes the copies or any electronic scans, 10 cents per page and \$15 per hour for the person's time making the copies or electronic scans.

9.4.2. Availability of Records Kept at Principal Office. An Owner shall give the Association written request at least 5 business days before the date on which the Owner wishes to inspect, copy or receive any of the records in subsection 9.2.4(b) above.

9.4.3. Availability of Other Records - Proper Purpose Required. An Owner shall give the Association written request at least 5 business days before the date on which the Owner wishes to inspect, copy or receive any of the other records of the Association and: (1) the request must be made in good faith and for a proper purpose; (2) the Owner must describe with reasonable particularity the purpose and the records the Owner desires to inspect; and (3) the records must be directly connected with the described purpose.

9.4.4. Redaction; Records Not Subject to Inspection. The Association may redact a Social Security number, a bank account number, and any communication subject to attorney-client privilege from any document the Association produces for inspection or copying. The Board may withhold from inspection or copying any records: (1) considered by the Board in executive session

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and the minutes of any executive session, or (2) that in its reasonable business judgment would constitute an unwarranted invasion of privacy (including, if so determined by the Board, a list of phone numbers or email addresses of Owners) or involve pending or anticipated litigation or contract negotiations.

## 10. AMENDMENTS

Approval of a majority of the voting rights of all Owners is required to amend these Bylaws. An amendment shall not be effective until certified by the president of the Association as being adopted in accordance with these Bylaws, acknowledged, and recorded against the Lots in the records of the county recorder.

## 11. MISCELLANEOUS

**11.1 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.

**11.2 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.

**11.3 Fiscal Year.** The fiscal year of the Association shall be determined by the Board.

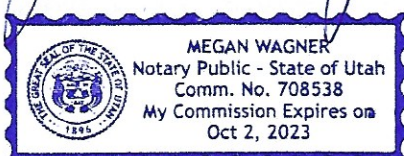
**11.4 Conflict.** In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

IN WITNESS WHEREOF, the Association has caused these Bylaws to be executed by its duly authorized officer on this 23 day of March, 2020.

State of Utah  
County of Iron  
On the 23 day of March 2020 personally  
appeared before me Keith Greenhalgh  
and acknowledged the foregoing to be  
his/her free act and deed before me Megan Wagner  
My commission expires: Oct. 2, 2023  
Notary Public

MONARCH MEADOWS OWNERS'  
ASSOCIATION, INC.  
a Utah nonprofit corporation

Sign: [Signature]  
Print Name: Keith Greenhalgh  
Title: President



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