

**BYLAWS
OF
ADMENDED HORSESHOE MOUNTAIN RANCH ESTATES OWNERS
ASSOCIATION, INC.**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is HORSESHOE MOUNTAIN RANCH ESTATES OWNERS ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Association in the State of Utah shall be located at _____, but meetings of Members and Directors may be held at such places within the State of Utah, County of Salt Lake, as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

- 2.1 "Association" shall mean and refer to the association of Owners known as the Horseshoe Mountain Ranch Estates Owners Association, Inc., a Utah nonprofit corporation, its successors and assigns.
- 2.2 "Board of Director" or "Board" shall mean and refer to individuals elected by the Owners to conduct and oversee the affairs of the Association and shall have the powers and duties as set forth in the Declaration, the articles of Incorporation, and these Bylaws.
- 2.3 "Declarants" shall mean and ref to Thomas E. Crisp, Norma A. Crisp and Interwest Engineering, a Utah corporation, their successors and assigns, if such successors or assigns should acquire from the Declarants all of their rights and obligations of development.
- 2.4 "Declaration" shall mean and refer to the Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions for Horseshoe Mountain Ranch Estates, a Total Environmental and Wildlife Game Preserve Community Development, applicable to the Horseshoe Mountain Ranch Estates Subdivision, as recorded in the Office of the Recorder of Sanpete County, State of Utah, and all amendments or supplements thereto.
- 2.5 "Common Areas" shall have the meaning set forth in the Declaration.
- 2.6 "Limited Common Areas" shall have the meaning set forth in the Declaration.
- 2.7 "Member" shall mean and refer to every Owner as provided in the Declaration.
- 2.8 "Owner" shall mean the owner of a Lot as provided in the Declaration.

Reference should be made to the Declaration for other definitions not contained in these Bylaws.

ARTICLE III MEETING OF MEMBERS

3.1 **Annual Meetings.** Annual meetings of the Members shall be held on the second Tuesday of March each year, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

3.2 **Special Meetings.** Special meetings of the members may be called by or at the request of the president or by the Board of Directors, or upon written request of the Members owning one-fourth (1/4) of the Lots.

3.3 **Notice of Meetings.** Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each Member entitled to vote thereafter addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

3.4 **Quorum** The quorum required for any action by the Members hereunder, unless otherwise specifically set forth in the Declaration, shall be as follows: At each scheduled meeting called, the presence of Members or of proxies entitled to cast fifty percent of all outstanding votes shall constitute a quorum. If a quorum is not present at a scheduled meeting, such meeting may be adjourned pending notice of subsequently scheduled meeting at which a quorum shall be one-half of the quorum which was required at the immediately preceding meeting. No such subsequently scheduled meeting shall be less than ten (10) or more than forty-five (45) days following the immediately preceding meeting.

3.5 **Proxies.** At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

3.6 **Voting.** Since an Owner may consist of more than one party, voting by an Owner with more than one party sharing in the ownership shall be in accordance with the Declaration.

ARTICLE IV BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE

4.1 **Number** The affairs of the Association shall be managed by a Board of Directors of not less than three (3) individuals; provided, however, that until (i) the expiration of three (3) years

from the date that the Declaration is recorded in the official records of the County Recorder of Sanpete County, State of Utah, or such shorter period as the Declarants may determine in their sole discretion, or (ii) a date not later than one hundred twenty (120) days after the date upon which seventy-five percent (75%) of the total Lots have been conveyed to purchasers (the “Declarant Control Period”), Declarants shall have the exclusive right to appoint and remove all Directors and Officers. After the Declarant Control Period the Board of Directors shall consist of one (1) individual selected by the Declarants Individual Lot Owners, spouses of Lot Owners, Mortgagees (or designees of Mortgagees), partners of partnerships owning a Lot, managers or members of limited liability companies owning a Lot, and trustees or officers of corporations owning a Lot, shall be eligible for Membership on the Board.

4.2 **Term of Office.** Each Director will hold office for a term of one (1) year and the Owners shall elect the Directors at the annual meeting.

4.3 **Removal.** Any Director who is appointed by the Declarants may be removed by the Declarants After the Declarant Control period, Directors may be removed, with or without cause, by the Owner that appointed such Director. In the event of death, resignation or removal of a Director, his or her successor shall be selected in accordance with the provisions of the Declaration.

4.4 **Compensation.** Directors shall be reimbursed for all expenses reasonably incurred in connection with Association business. The Board may fix such compensation for any Director as may be reasonable in light of the Association duties which that Director is required to perform.

4.5 **Action Taken Without a Meeting.** The Board of Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors.

ARTICLE V MEETINGS OF THE BOARD OF DIRECTORS

5.1 **Regular Meetings.** Regular meetings of the Board shall be held periodically without notice, at such place and hour as may be fixed from time to time by resolution of the Directors. Should said 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.

5.2 **Special Meetings** Special meetings of the Board shall be held when called by the president of the Association, or by any Board member after not less than ten (10) days notice to each Board member.

5.3 **Quorum.** Only when a majority of the Directors are present shall there be a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

5.4 Dispute Resolution If a deadlock occurs between the Directors and if such deadlock cannot be settled through direct discussion, the Board shall first endeavor to settle the deadlock by mediation in accordance with the Commercial Mediation Rules of the American Arbitration Association, using a mediator approved by each of such Directors. The Association shall be responsible for payment of the mediator's fee but each Director shall otherwise bear all of his or her own costs. The mediation shall be held in Salt Lake County, Utah. Final and complete agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction. The parties agree that all negotiations and statements made (orally or in writing) shall be confidential and shall not be used as evidence in any judicial action or proceeding, to the fullest extent under applicable Federal and State rules of evidence.

In the event that a deadlock is not settled pursuant to the immediately preceding paragraph within one hundred twenty (120) days after a Party notifies the other Parties in writing that such Party desires to attempt to settle the deadlock pursuant to the immediately preceding paragraph, then any Party shall have the right in its sole discretion to request binding arbitration of such deadlock in accordance with the Commercial Arbitration Rules of the American Arbitration Association, using an arbitrator approved by each of such Directors. The Association shall be responsible for payment of the arbitrator's fee, unless the arbitrator elects to charge a Director such fees based upon a finding that the deadlock resulted from one or more Directors acting or failing to act in an unreasonable manner in light of all facts and circumstances existing before the parties. Arbitration shall be held in Salt Lake County, Utah. Decisions rendered in arbitration shall be enforceable in any court having jurisdiction.

ARTICLE VI POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1 Powers. The Board of Directors shall have power to:

(a) adopt and publish Rules and Regulations governing the use of the Common Areas, the Limited Common Areas, 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 the wildlife/access, pasture, stables, and recreational facilities, if any, 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, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(d) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

6.2 **Duties** It shall be the duty of the Board of Directors 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 statement is requested in writing by Members owning one-fourth (1/4) of the Lots;

(b) supervise all officers, agents and employees of this Association, and see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the common, capital improvement and special assessments against each Lot;

(2) send written notice of each assessment to every Owner subject thereto at least fifteen (15) days in advance of each assessment period; and

(3) foreclose the lien against any Lot for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(e) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(f) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(g) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(h) cause the Common Areas and Limited Common Areas to be maintained; and

(i) maintain the books and financial records of the Association, and, if requested by the holder, insurer or guarantor of any first mortgage secured by a Lot, prepare and furnish within a reasonable time at the expense of the party requesting the same, an audited financial statement of the Association for the immediately preceding fiscal year.

6.3 **Limitations.** The Board of Directors may not act on behalf of the Association to:

(a) amend the Declaration;

(b) terminate the Association, the Declaration or the Condominium;

- (c) elect Directors to the Board of Directors; or
- (d) determine the qualifications, powers and duties, or terms of office, of Directors.

ARTICLE VII OFFICERS AND THEIR DUTIES

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

7.2 **Election of Officers.** The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. At the initial meeting, the Board of Directors shall elect a President, Vice President, and other officers as shall be deemed appropriate.

7.3 **Term.** The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year or such longer period as the Board shall designate, unless the officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

7.4 **Special Appointments.** The Board of Directors 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 of Directors may, from time to time, determine.

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

7.6 **Vacancies** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

7.7 **Multiple Offices** The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except as provided above and except in the case of special offices created pursuant to Section 7.4 of this Article.

7.8 **Duties.** The duties of the officers are as follows:

President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

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

Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; if the Board deems appropriate, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE VIII COMMITTEES

The Board of Directors, may if it elects appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE IX ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association common, special improvement, and default assessments and other charges which are and will be secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or Special Common Area or abandonment of his Lot.

ARTICLE X AMENDMENTS

10.1 **By Members.** These Bylaws may be amended, at a regular or special meeting of the

Members, by Members holding two-thirds (2/3) of the Lots, in person or by proxy.

102 **Construction.** 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.

**ARTICLE XI
MISCELLANEOUS**

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

IN WITNESS WHEREOF, we, being all of the initial Directors of HORSESHOE MOUNTAIN RANCH ESTATES OWNERS ASSOCIATION, INC., have hereunto set our hands this ____ day of _____, 2005.

Thomas E. Crisp

Edward A. Klarich
