

BY-LAWS OF  
BAILEY ACRES OWNERS ASSOCIATION

A NON-PROFIT CORPORATION OF THE STATE OF UTAH

Pursuant to the provisions of the Utah Non-Profit Corporation Act, the Board of Trustees of the Bailey Acres Owners Association hereby adopts the following By-Laws of the Bailey Acres Owners Association.

Article 1  
Name and Principal Office

1.1 Name. The name of the corporation is Bailey Acres Owners Association, and is referred to below as the "Association".

1.2 Offices. The initial principal office of the Association will be in the State of Utah

Article 2  
Members

2.1 Members. The corporation shall be made up of its members. Membership is appurtenant to ownership of a Lot in the Bailey Acres A Cluster Subdivision Project. Membership shall transfer with title to that Lot, and may not be assigned or transferred except in conjunction with the title to a Lot.

2.2 Multiple Ownership. There is only one membership appurtenant to each Lot in Bailey Acres. In the event that any Lot is owned by more than one person or entity as tenants in common or joint tenancy, the persons owning an interest in the Lot shall decide among themselves who will cast the vote for the Lot and how it will be cast. Only one vote will be accepted from each lot. In the event of a disagreement among the owners of any Lot on how to cast the vote appurtenant to that Lot, the Association will accept no vote from that Lot. Even though the ownership of a Lot is deadlocked and unable to vote, if any Owner of that Lot is present at any meeting, the Lot may be counted as present for purposes of determining a quorum.

2.3 Secured Parties. Persons or entities claiming or holding an interest in any Lot merely for purpose of securing an obligation, such as banks or other mortgage lenders, are not considered Members of the Association and shall have no right to participate in voting or other matters presented to the membership; provided, however, that if such a secured party takes possession of the Lot under the security interest, the membership in the Association will transfer to the party taking possession.

2.4 Leases. Persons in possession of a Lot as lessees of the Owner are not Members of the Association. Membership will remain with the Owner. The Owner may give proxy to the lessee. If a lessee appears at a meeting and the Owner is absent, the Lot

will be counted as present for purposes of determining a quorum, even though no vote will be accepted without a written proxy.

### Article 3 Meetings and Notice

**3.1 Annual Meetings.** The annual meeting of the Members of the Association shall be fixed by the Board of Trustees beginning in the year following the year in which the Association is incorporated. The purpose of the annual meeting is the election of officers and Trustees and to consider such other business that comes before the meeting. If the Trustees are not elected at the annual meeting, the existing Trustees shall continue to serve until their successors are named in a special meeting called for that purpose or until the next annual meeting. The Trustees may change the date, time, and place of the annual meeting as they see fit by formal resolution.

**3.2 Special Meetings.** Special meetings of the Members may be called by the Board of Trustees or by the President as they see fit or by the Members of the association representing no less than thirty-three percent (33%) of the total votes of the Association. Any notice of special meeting shall state the time, place, date, and the matters to be considered at that meeting. When a special meeting is called by the Members of the Association, the notice shall be in writing and delivered to the President or Chairman of the Board of Trustees.

**3.3 Place of Meeting.** All meetings will be held at a designated location in Weber County, Utah, unless Members have authorized a meeting to be held elsewhere by written waiver.

**3.4 Notice of Meeting.** The Board of Trustees shall cause written or printed notice of the date, time, place and the purpose of all meetings of the Members to be sent to each of the Members not more than sixty (60) but not less than thirty (30) days prior to the meeting. Mailing notice can be by means of electronic mail. Mailed notice is deemed delivered when it is deposited in the United States Mail, postage pre-paid, addressed to the Member at the last known address. Each Member shall register his or her address and email address with the Association, and it shall be the obligation of the Member to provide notice of any change of address or email address to the Association. If no address is registered, the Association may mail that Member's notice to the address shown on the last available property tax assessment rolls for Weber County, in the name of the Owner as it appears on the assessment rolls. It is the obligation of the Owners to notify the Association of changes in ownership of their Lot. Only one notice will be mailed to each Lot, so if there are multiple Owners, they must designate one of them to receive the notice of the meeting on their behalf. In the absence of such a designation, the Association will mail the notice to a local address, if there is one, to the available address it considers most likely to provide actual notice, or to the address shown on the tax assessment rolls for mailing of property tax notices.

**3.5 Members of Record.** Upon purchasing a Lot in Bailey Acres, each Owner shall promptly furnish the Association with a copy of the deed or other instrument under which he or she acquired title to the Lot. For purposes of determining a quorum, determining the persons entitled to vote, and all other matters before a meeting of the Members, the Association may designate a record date, not more than sixty (60) days nor less than thirty (30) days prior to the meeting date to determine the Members entitled to notice and to vote at the meeting. If no record date has been fixed, the record date is deemed to be the date on which notice of the meeting was mailed to the Members. The persons appearing as Members as of the record date are deemed entitled to notice and to vote at the meeting. Persons who become Members subsequent to the recorded date, or whose ownership is not registered with the Association until subsequent to the record of date shall not be entitled to notice, shall not be counted in comprising a quorum, and shall not be entitled to vote at the meeting. This shall not preclude a person who acquired his or her membership subsequent to the record date from voting the interest of his predecessor under a written proxy.

**3.6 Quorum.** At any meeting of the Members, the presence of Members, in person or by proxy, holding the right to cast more than fifty percent (50%) of the total votes of the Association shall constitute a quorum for the transaction of the business. In the event that a quorum is not present at a meeting, the Members present, in person or by proxy, though less than a quorum, may vote to continue the meeting to a later date set by those Members present. Notice of the continued meeting will be sent to the Members providing at least five (5) days notice of the new meeting. At any continued meeting, a quorum will be deemed to exist comprising of those Members present in person or by proxy at the reconvened meeting.

**3.7 Proxies.** At each meeting of the Members, each Member entitled to cast a vote shall be entitled to vote in person or by written proxy. All proxies must be in writing, signed by the Member as shown on the records of the Association. When a Membership is jointly held, the proxy must be signed by all of the joint Owners of the Membership. Proxies must be presented to the Secretary of the Meetings at the beginning of the meeting for the purpose of determining a quorum. The Secretary will make an entry of proxies in the minutes of the meeting.

**3.8 Simple Majority.** Any matter placed before the Members for a vote shall pass if there is an affirmative vote of the majority of the Members present at the meeting (and there is a quorum present). Election of Trustees will be by secret ballot. Other matters may be voted by secret ballot or by the show of hands or such other means as the officer conducting the meeting shall determine.

**3.9 Waiver of Irregularities.** Any inaccuracies, irregularities or errors in any call for a meeting or notice of meeting, inaccuracies or irregularities in the determination of a quorum or acceptance of proxies are deemed waived unless there is an objection stated in the meeting prior to the vote being taken.

3.10 Informal Action. Any act, which is required to be taken or approved at a meeting, may be taken or approved without a formal meeting if a majority of the Members consent to the action in writing prior to the action being taken. The Members may hold meeting for which formal notice was not given if the Members waive notice prior to the meeting.

#### Article 4 Board of Trustees

4.1 General Powers. The board of Trustees shall have authority to manage and control the property and affairs of the Association. The Board of Trustees may exercise all powers conferred upon them by law, by the Articles of Incorporation, by these By-Laws, or the Declaration for the Project, provided however that those powers which are specifically reserved to the Members by law or by the Articles of Incorporation shall be exercised only by the Members, The Board of Trustees may delegate its powers to officers, managers, or others such of its powers as are appropriately delegated.

4.2 Assessment: Budget. The Trustees will annually adopt a budget for the operation of the Association and the maintenance of any facilities owned by the Association. A copy of the budget will be sent out with the notice of annual meeting. Special assessments require the approval of the Owners as set forth in the Declaration.

4.3 Number and Tenure. There shall be at least three (3) and not more than ten (10) board members of the Board of Trustees. They shall serve until the next annual meeting in which Trustees are elected, and shall continue to serve until their successors have been elected and assumed office. Immediately after the election of the first Board of Trustees by the Members, the Trustees shall, by drawing Lots, divide themselves into three terms of one, two and three years. Thereafter, at each annual meeting, only the Trustee whose term has expired will stand for election. Trustees need to be residents of the State of Utah.

4.4 Qualifications. Trustees must be Owners of Lots and Members of the Association. Any Trustee who ceases to be an Owner is deemed to have resigned as a Trustee, and a replacement will be appointed by the remaining Trustees.

4.5 Initial Trustees. Until such time as five years have passed since the filing of the Declaration or ninety percent (90%) of the Lots in the Bailey Acres Project have been sold to third persons by the Declarant as referenced in Declaration, whichever occurs first, the Board of Trustees may be appointed by the Declarant.

4.6 Board Meetings. The Board of Trustees shall have at least one meeting per year, which shall be within the ninety (90) days preceding the annual meeting of Members for the purpose of setting the agenda for that meeting. The Trustees may meet as often as they see fit and as required by law or the Articles of Incorporation

for purposes of approving annual reports, tax returns, and similar matters. Special meetings may be called by the president or the chairman or by a majority of the Board of Trustees by giving notice to the other board Members. Notice of meeting will be given in writing or by telephone not more than fifteen (15) days and not less than five (5) days prior to the date of the meeting.

4.7 Quorum. A Quorum at the Board meeting will consist of a simple majority of the Board. Board Members may be counted as present if they are participating in the meeting by telephone or electronic means. No proxies will be given among Board Members. Action of the Board may only be taken by formal action of the Board, and no individual Trustee shall have the authority to act on behalf of the Association.

4.8 Deadlock. In the event of a deadlock on the Board, the Board shall immediately call for a special meeting of the Members and, at the direction of the Chairman of the Board, either call for the election of a new Board, or submit the matter to the Members for determination.

4.9 Compensation. The Board of Trustees shall serve without compensation, provided that their reasonable out of pocket expenses for the Association business may be reimbursed by the Association.

4.10 Resignation or Removal. Any Trustee may resign at any time by written notice to the remaining Trustees. A Trustee is deemed to have resigned when he or she sells (or otherwise is divested of) his or her Lot and therefore ceases to be a Member of the Association. Any Trustee may be removed prior to the end of his or her term of office by an affirmative vote of sixty percent (60%) of the Members of the Association at a regular or special meeting called for that purpose.

4.11 Vacancies. Vacancies on the Board of Trustees will be filled by appointment or a successor by the remainder of the Board. Such appointee will serve out the remaining term of the resigning or removed Trustee and will stand for election at the expiration of that purpose.

4.12 Informal Action by Trustees. The Trustees may take any action they could take in a formal meeting without a formal meeting, provided that the action is authorized in advance in writing signed by a majority of the Board and further provided that all of the Trustees much have been given an opportunity to approve or reject the action. The Trustees may waive notice of meeting by signing written waivers at the time of the meeting. Minutes of all board meetings will be kept, and when a meeting is held without prior notice, the minutes will reflect the written waiver of notice. Informal action will be entered in the minutes of the Trustees.

5.1 Number. The officers of the Association shall consist of at least a President, Vice President, Secretary, and Treasurer. The Board may establish such other officers, as it deems appropriate.

5.2 Appointment, Tenure. The officers will be appointed by the Trustees at their annual meeting, and all officers serve at the pleasure of the Board and may be removed by a majority vote of the Board in a meeting called for that purpose. All officers must be Members of the Association. Because of the small number of Members, it is anticipated that the Trustees themselves will serve as some or all of the officers.

5.3 Duties of the President. The president shall preside at meetings of the Board of Trustees and at meeting of Members. He or she shall sign, on behalf of the Association, all legal documents approved by the Board, including deeds and mortgages and other contracts. The president shall supervise and be primarily responsible for the day-to-day operation of the Association affairs, including the firing and termination of employees and subordinates. The president shall perform such other duties as assigned by the Board.

5.4 Duties of the Vice President. The Vice President shall perform the duties of the president if he or she is not available and shall perform such other duties as designated by the Board.

5.5 Duties of the Secretary. The Secretary is responsible to keep accurate records of the Members of the Association and the transfer of their interest to others, to keep minutes at the meetings of the Association's Members and Trustees, and cause notice of any meetings to be issued as called for in these By-Laws, to file annual reports, and to perform all other assignments of the Board.

5.6 Duties of the Treasurer. The Treasurer shall be responsible for all the funds of the Association and related financial duties.

5.7 Compensation. The officers will serve without compensation providing that their reasonable out-of-pocket expenses in performing their duties for the Association will be reimbursed.

## Article 6 Indemnification

6.1 Indemnification Against Third Party Actions. The Association shall defend and indemnify the officers, and Trustees against all actions, claims and suits brought by third parties against them individually which arise from the exercise of their obligations and duties as officers and Trustees. This shall include all civil, administrative, criminal, or investigative actions whether brought by an individual or a governmental agency. The indemnification shall extend to the payment of reasonable attorney's fees incurred in the defense of such action, including fees for

independent counsel, and the payment of any fine, settlement or judgment. This indemnity is limited in scope to those acts or omissions arising from the good faith exercise of the authority of the office held or the discharge of the duties as a Trustee on behalf of the Association.

6.2 Indemnification Against Member Actions. The Association may defend and indemnify the officers and Trustees against all actions, claims, and suits brought by Members of the Association against them individually which arise from the exercise of their obligations and duties as officers and Trustees. This shall include all civil, administrative, criminal or investigative actions whether brought by an individual or a governmental agency. The indemnification shall extend to the payment of reasonable attorney's fees incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement or judgment. This indemnity is limited in scope to those acts or omissions arising from the good faith exercise of the authority of the office held or the discharge of the duties as a trustee on behalf of the Association.

6.3 Request for Indemnification. When any officer, Trustee or employee of the Association receives notice of any action referred to above, he or she must give notice to the president and to the Board of Trustees stating the nature of the claim, the claimant, and all pertinent information about the claim. The Board, in the case of an action against an officer, employee, or against a single Trustee, may vote to indemnify the officer, employee, or Trustee. In the event that the action is against the board of Trustees as a whole or names more than a single Trustee individually, and the claim exceeds the limits of any insurance coverage or is not covered, the Board may not agree to indemnify itself without presenting the matter to the Association for a vote at a special meeting called for that purpose.

6.4 Insurance. The Association may purchase and maintain insurance on behalf of an individual who is acting as Trustee or an officer of the corporation, against liability associated against or incurred by him or her in that capacity or arising from his or her status as a Trustee or officer.

## Article 7 Amendments

7.1 Amendments. These By-Laws may be altered or repealed by the affirmative vote of a majority of the Board of Trustees at any regular meeting of the Board or at any special meeting of the Board if notice of the proposed alteration or repeal is contained in the notice of such special meeting.

## Article 8 Operation and Maintenance of Project

8.2 Operation and Maintenance. The Association, as agent for its members, is responsible for the enforcement and implementation of the Declaration of

Covenants, Conditions and Restriction for Bailey Acres A Cluster Subdivision (“Declaration”), as recorded with the Weber County Recorder. The assessment of members for the operation shall be governed by the declaration for Bailey Acres, as recorded with the Weber County Recorder. To the Extent any provision of these By-Laws conflicts with the Declaration, the Declaration provision shall apply.

Adopted this 22<sup>nd</sup> day of April, 2016.

*Bailey Acres Board of Trustees*