

BY-LAWS
OF
BEAVER DAM VILLAGE OWNERS ASSOCIATION, INC.

I. NAME AND LOCATION

1. **Name.** The name of the corporation is **Beaver Dam Village Owners Association, Inc.**, a Utah nonprofit corporation.

2. **Principal Office.** The principal office of the Association shall be located at Panguitch Lake, Utah, and meetings of Members and trustees may be held at such places as may be designated by the Board of Trustees.

II. DEFINITIONS

When used in these By-Laws the following terms shall have the meaning indicated:

1. **Articles.** Shall mean and refer to the Articles of Incorporation of Beaver Dam Village Owners Association, Inc.

2. **Association.** Shall mean and refer to Beaver Dam Village Owners Association, Inc., a Utah nonprofit corporation which is organized by the filing of the Articles.

3. **Member.** Shall mean and refer to every person who holds membership in the Association, under the terms of the Declaration.

4. **Properties.** Shall mean and refer to all real property which becomes subject to the Declaration together with such other real property as may hereafter be annexed thereto under the provisions of the Declaration.

5. **Declaration.** Shall mean and refer to the instrument entitled "Declaration of Covenants,

Conditions & Restrictions of Beaver Dam Village," executed and acknowledged by Declarant on the 2nd day of August, 2003, and filed for record in the office of the County Recorder of Garfield County, Utah, as the same may from time to time be supplemented by Supplementary Declaration(s) or amended.

6. Lot. Shall mean and refer to any of the separately numbered and individually described plots of land on recorded Plats of the Properties with the exception of the Common Areas, including streets.

7. Common Areas. Shall mean and refer to those areas of land shown on any recorded Plat of the Properties and intended to be devoted to the common use and enjoyment of the Members.

8. Owner. Shall mean and refer to the person who is the owner of record (in the office of the County Recorder of Garfield County, Utah) of a fee or an undivided fee interest in any Lot. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term Owner shall not mean or include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

9. Living Unit. Shall mean and refer to a structure which is designed and intended for use and occupancy as a single family residence, together with all improvements located on the Lot concerned which are used in conjunction with such residence.

10. Board of Trustees or the Board. Shall mean and refer to the Board of Trustees of the Association.

11. Development. Shall mean and refer to the initial "Beaver Dam Village Units A, B, C, and Beaver Dam Estates (formerly known as Unit D)" development and any additional phases

created by later amendment.

III. MEETINGS OF MEMBERS

1. **Annual Meeting.** The first annual meeting of the Members shall be held during the month of July at the date and time set by the Board. Thereafter, an annual meeting of the Members shall be held during the same month of each succeeding year. The purpose of the annual meeting shall be the election of the trustees, subject to the provisions of Section 1 of Article IV hereof, and the transaction of such other business as may come before the Members. If the election of trustees is not filled on the day designated herein for the annual meeting, the Board shall cause such election to be held at a special meeting of the Members as soon thereafter as is convenient.

2. **Special Meetings.** A special meeting of the Members for any purpose or purposes may be called by the President, by the Board, or upon written request of the Members who are entitled to vote of one-fourth ($\frac{1}{4}$) of all of the votes of the Class A membership.

3. **Place of Meeting.** The Board of Trustees may designate anywhere as the place for any annual meeting or for any special meeting called by the Board.

4. **Notice of Meetings.** Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to all Members at least ten but not more than thirty days prior to the meeting date. Such notice shall be deemed to have been properly furnished if mailed postage prepaid within the required time period to the person who appears as a Member, at the latest address for such person appearing in the records of the Association at the time of mailing.

5. **Quorum.** Except as otherwise provided in the Articles, in the Declaration, or by law, more than 30% of the membership present (by lots) in person or by proxy shall constitute a quorum

at any meeting of the Members.

6. **Proxies.** At any meeting of the Members a Member may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. All proxies shall be filed with the secretary of the Association before or at the time of the meeting. Unless otherwise provided therein no proxy shall be valid after eleven months from the date of its execution.

7. **Necessary Vote.** Except as concerns the election of trustees and except with respect to those proposals which under the Articles, under the Declaration, or by law require a greater proportion for adoption, the affirmative vote of a majority of all those which members present in person or represented by proxy are entitled to cast at a meeting shall be sufficient for the adoption of any matter voted on by the Members.

IV. BOARD OF TRUSTEES

1. **Number, Tenure and Qualifications.** Except for the initial Board of Trustees appointed by Declarant which may function until such time as the total number of votes held by all Class A Members equals the total number of votes held by the Class B Member, the affairs of the Association shall be managed by a Board of Trustees composed of five (5) individuals, but which may be as few as three (3) and shall be five (5) initially. The trustees shall be classified with respect to the time for which they shall severally hold office, by dividing them into three classes, to be known as classes "A", "B", and "C". Of the Trustees first chosen, Class A shall consist of one trustee to hold office for one (1) year; Class B shall consist of two trustees, each to hold office for two years; and Class C shall consist of two Trustees, each to hold office for three (3) years. At each annual election, the successor(s) to the class of Trustees whose terms shall expire in that year shall be elected to hold office for the term of three (3) years. Any change in the number of Trustees contrary to the

minimum Board size provision of the Articles may be made only by amendment of the Articles. Each Trustee shall hold office until his term expires and until his successor has been duly elected and qualifies. Notwithstanding anything herein contained to the contrary, Declarant reserves the right to appoint the members of the Board of Trustees, or their successors until the occurrence of the event mentioned at the outset of this Section I of Article IV.

2. Compensation. The Board may provide by resolution that the Trustees shall be paid their expenses, if any, by attendance at each meeting of the Board. Trustees shall not be paid any salary or other compensation for their services as Trustees and shall not receive directly or indirectly any other profit or pecuniary advantage by virtue of their status as Trustees.

3. Action Taken Without a Meeting. The Trustees 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 Trustees. Any action so taken shall have the same effect as though taken at a meeting of the Trustees.

V. POWERS AND DUTIES OF THE BOARD OF TRUSTEES

1. Powers. The Board of Trustees shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Areas, and personal conduct of the Members and their guests thereon, and establish penalties for the infractions thereof;

(b) suspend the voting rights and the rights to use recreational facilities which may be provided of a Member during a 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 from infraction of published rules and regulations;

(c) exercise for the Association of powers duties, authority vested in or delegated to

the Association and not reserved to the membership by other provisions of these By-Laws, the Articles, or the Declaration;

(d) declare the office of a Member of the Board of Trustees to be vacant in the event such Member shall be absent from four consecutive regular meetings of the Board of Trustees without cause; and

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

2. Duties. It shall be the duty of the Board of Trustees 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 one-fourth of the Class A Members who are entitled to vote;

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

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

(1) fix the amount of the monthly or special assessment against each Lot and to send written notice of such assessment to every Owner subject thereto as provided in the Declaration.

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

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a

certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability, hazard and other insurance on property owned by the Association as required by the insurance provisions of the Declaration;

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

(g) cause the Common Areas and water systems and rights to be maintained, and, also, if an Owner of any Lot shall fail to maintain his Lot and the Living Unit located thereon in a manner satisfactory to the Architectural Control Committee and/or the Board of Trustees, the Association, after approval by 2/3 vote of the Board, shall have the right, through its agents or employees, or through an independent contractor, to enter upon his Lot and to repair, maintain and restore the Lot and the exterior of the Living Unit and any other improvements erected thereon.

VI. NOMINATION AND ELECTION OF TRUSTEES

1. Nomination. Nomination for election to the Board of Trustees may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Trustees, and two or more members of the Association. The Nominating Committee may be appointed by the Board of Trustees prior to each annual meeting of the Members, to serve from the close of such annual meeting until close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Trustees as it shall in its discretion determine, but not less than the number of vacancies

that are to be filled. Such nominations shall be made from among Members.

2. **Election**. Elections to the Board of Trustees shall be made by secret written ballot, unless elected by acclamation. At such 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 Articles.

VII. MEETING OF TRUSTEES

1. **Regular Meetings**. A regular meeting of the Board of Trustees shall be held without notice other than this section immediately after, and at the same place as, the annual meeting of the Members. The Board of Trustees may provide by resolution the time and any place they may elect for the holding of additional regular meetings without notice other than such resolution.

2. **Special Meetings**. Special meetings of the Board of Trustees may be called by or at the requests of the president or any three Trustees. The person or persons calling a special meeting of the Board may fix any place within the State of Utah as the place for holding such meeting.

3. **Notice**. Written or printed notice stating the place, day, and hour of any special meeting of the Board shall be given to all directors at least three days prior to the meeting date. Such notice shall be deemed to have been properly furnished if mailed postage prepaid at least three business days before the meeting date to each Trustee at his address. Attendance of a Trustee at any meeting shall constitute a waiver of notice of such meeting unless the Trustee attends for the express purpose of objecting to the transaction of any business because the meeting is not properly called or convened. Neither the business to be transacted at nor the purpose of any meeting need be specified in the notice thereof.

4. **Quorum**. A majority of the trustees then in office shall constitute a quorum for the transaction of business at any meeting of the Board. The act of a majority of the trustees at a meeting

at which a quorum is present shall constitute the act of the Board of Trustees unless the act of a greater number is required by law.

5. **Vacancies.** Any vacancy on the Board, subject to the provisions of Section 1 of Article IV, may be filled by the affirmative vote of a majority of the remaining Trustees, even though such remaining Trustees constitute less than a quorum. A trustee thus selected to fill a vacancy shall serve for the unexpired term of his predecessor in the office,

VIII. ARCHITECTURAL CONTROL COMMITTEE

1. **Architectural Control Committee.** The development and any additions thereto shall be subject to the Declaration, and the Architectural Control Committee, as provided in the Declaration.

IX. OFFICERS

1. **Number and Qualifications.** The Officers of the Association shall be a President, a Vice-president, a Secretary, and a Treasurer. Any two (2) or more offices, other than the office of President and Secretary, may be held by the same person. Officers need not be Members of the Association.

2. **Tenure.** The Officers of the Association shall be elected by the Board of Trustees annually at the first meeting of the Board held after the annual meeting of the Members. If election of Officers does not occur at such meeting it shall be held as soon thereafter as is convenient. Each Officer shall hold office until his successor has been duly elected and qualifies or until he is removed. Any Officer may be removed by the Board whenever in its judgment the best interests of the Association would be served thereby.

3. **Vacancies.** A vacancy in office resulting from death, resignation, removal, or any other cause shall be filled by the Board of Trustees for the unexpired portion of the term of the person

previously in office.

4. President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Trustees, shall exercise general supervision and control over all of the property and affairs of the Association. The President shall, when present, preside at all meetings of the Members and of the Board of Trustees. If the President is not present then the Vice-President shall preside. Except in cases where the signing and execution thereof is expressly delegated by the Board of Trustees or by these Articles to some other officer or agent of the Association or where required by law to be otherwise signed or executed, the President, together with the Secretary or any other Officer of the Association authorized by the Board of Trustees may sign any deeds, mortgages, contracts, or other instruments which the Board of Trustees has properly authorized to be executed. The President shall, in general, perform all duties incident to the office of President and such other duties as may from time to time be prescribed by the Board of Trustees.

5. Vice-President. In the absence of the President or in the event of his death, inability, or refusal to act, the Vice-President shall perform all of the duties of the President. When so acting he shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice-President shall perform such duties as may from time to time be assigned to him by the President or by the Board of Trustees.

6. Secretary. The Secretary shall keep minutes of meetings of the Members and of the Board of Trustees in one or more books provided for that purpose, shall see that all notices are given in accordance with the provisions of these articles, the Declaration, and law, shall maintain the membership list required by these Articles, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may from time to time be assigned to him by the

President or by the Board of Trustees.

7. **Treasurer.** As required by the provisions of the Declaration the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board shall determine. The Treasurer shall have the custody of and shall be responsible for all funds of the Association, shall receive and give receipts for money due and payable to the Association, shall deposit all such money in the name of the Association in such banks, trust companies, or other depositories as are selected by the Board, shall perform all accounting, financial record keeping, and similar services which may be necessary or desirable in connection with the Association's affairs, and, in general, perform all duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him by the President or by the Board of Trustees.

8. **Compensation.** Officers shall not be paid any salary or other compensation for their services as such and shall not receive directly or indirectly any other profit or pecuniary advantage by virtue of their services as Officers.

X. ASSESSMENTS

1. As more fully provided in the Declaration, each Member is obligated to pay to the Association monthly and special assessments including assessments of the Association which are secured by a continuing lien upon the Lot against which the assessment is made, provided, however, that such lien shall be subordinate to the lien of any first mortgage. Any assessment which is not paid when due shall be delinquent. If the assessment is not paid within thirty days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 18% per annum together with a late payment service charge equal to five percent (5%) of each delinquency, and 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, late payment service fee, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

XI. AMENDMENTS

1. These By-Laws may be amended, at any regular or special meeting of the Board of Trustees, by a vote of the majority of the Board of Trustees.

2. In the case of any conflict between the Articles and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

XII. MISCELLANEOUS

1. 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 Trustees of Beaver Dam Village Owners Association, Inc. have hereunto set our hands this 5 day of July, 2003, pursuant to an affirmative vote of its Members.

BEAVER DAM VILLAGE
OWNERS ASSOCIATION, INC.

By: Gay E. Copsey

By: Charles W. Goff

By: Paul D. Stenett

By: Donald Gull

By: Robert H. Pauer