

Pepperwood Homeowner's Association

Bylaws

Revised 16 March 1995

Revised 25 October 1995

Revised 16 October 1997

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Revised 25 October 2012

1 **ARTICLE I**

2 **DEFINITIONS**

3 Section 1: Definitions: The following terms used in these Bylaws are defined as follows:

- 4 a) "Association" means PEPPERWOOD HOMEOWNER'S ASSOCIATION, a Utah non-profit corporation,
5 its successors and assigns.
- 6 b) "Community Services" shall include any and all of the purposes now set forth in the Articles of
7 Incorporation of the Association or as the same may be amended hereafter, including but not limited to the
8 landscaping and maintenance of common areas.
- 9 c) "Common Area" and "Common Facilities" shall mean all property owned, leased, controlled or occupied by
10 the Association for the common use and enjoyment of the Lot Owners of the Association.
- 11 d) "Special common area" to be used by and limited to sub groups of Lot Owners who choose to affiliate and
12 pay additional fees for the construction and maintenance of such areas.
- 13 e) "Service area" shall mean and refer to all of the real property described in Exhibit A attached hereto, and
14 any additions thereto, as may hereafter be brought within the jurisdiction of the Association.
- 15 f) "Lot" shall mean and refer to a recorded lot within the existing property or any other properties annexed
16 pursuant to the Declaration, upon which there has been or will be constructed a single family residence, but
17 shall not mean or include any common area.
- 18 g) "Member" shall mean and refer to every person and entity that owns a fee simple interest in a Lot.
- 19 h) "Lots in Good Standing" shall mean and refer to every Lot that, through its Owner(s) is current in the
20 payment of dues and assessments and has no lien filed against it by the Association.
- 21 i) "Owner" shall mean and refer to one or more persons or entities who are the record owner of a fee simple
22 interest in a Lot, including contract buyers, **spouses of Lot Owners or the Trustor or Settlor of a Trust**
23 **which is a record owner, or a spouse of said Trustor or Settlor**, but excluding those having an interest
24 merely as security for the performance of an obligation.
- 25 j) "Declarant" shall mean and refer to Bell Mountain Corporation, its successors and assigns.
- 26 k) "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable
27 to the service area, recorded in the office of the County Recorder, County of Salt Lake, State of Utah.
- 28 l) "Deed of Trust" and "Trust Deed" shall mean the instrument by which any Lot or other portion of the
29 property secures the performance of an obligation, regardless of the form or title of the document.
- 30 m) "Conveyance" shall mean and refer to the transfer of title.
- 31 n) "Combined Lots" shall mean two or more Lots that are combined with one residence so situated on the
32 combined Lots to preclude subsequent subdivision of the combined Lots into individual parcels for
33 construction of more than one residence. The Association may record a Notice of Combined Lot in the real
34 property records of Salt Lake County to reflect the joinder of the Lots and that any separation thereof is
35 prohibited.
- 36 o) "Reserve Fund" shall mean and refer to the monies collected and set aside for the future repair or
37 replacement of major components of the Association's Common Facilities, or for the addition of new
38 Common Facilities.
- 39 p) Replacement Fund Study shall mean an inventory and analysis of the Common Facilities (the physical
40 analysis) and the preparation of a long-range funding plan (the financial analysis) prepared by an
41 independent certified public accounting firm. .
- 42 q) "Registered Address" shall mean the address on the books and records of the Association to which official
43 notices are to be mailed or delivered.

1 **ARTICLE II**

2 **OFFICE**

3 Section 1: Principal Office: The principal office for the transaction of the business of the Association is hereby fixed
4 and located in the County of Salt Lake, State of Utah. The Board of Trustees is hereby granted full power and
5 authority to change said principal office from one location to another within Salt Lake County.

6 **ARTICLE III**

7 **MEMBERS, RIGHTS AND OBLIGATIONS**

8 Section 1: Membership: Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot
9 shall be a Member of the Association. Every Member of this Association and every person who resides with a
10 Member or is a Member's invitee or licensee or leasee shall be subject to the provisions of the Articles of
11 Incorporation and these Bylaws. Membership shall be appurtenant to and may not be separated from the fee
12 ownership of Lots. Ownership of a Lot shall be the sole qualification for membership.

13 Section 2: Transfer: The membership held by any Owner of a Lot shall not be transferred, pledged, or alienated in
14 any way, except upon the sale of the Lot, and then only to the purchaser of the Lot. Any attempt to make a prohibited
15 transfer of membership is void, and will not be reflected upon the books and records of the Association. . The
16 Association shall have the right to record the transfer of membership upon the books of the Association in
17 accordance with the ownership of each Lot as reflected on the records of the Salt Lake County Recorder.

18 Section 3: Termination of Membership: Membership in the Association shall automatically terminate when the
19 member transfers ownership of the Lot.

20 Section 4: Voting Rights: The Association shall have one class of voting membership. Each Lot shall be entitled to
21 one vote. When more than one person or entity is an owner of a Lot, all such persons shall be Members. The vote for
22 Lots owned by multiple members or Lot Owners, shall be exercised as they among themselves determine, but in no
23 event shall more than one vote be cast with respect to any Lot. The voting rights in connection with any Lot, which
24 is delinquent in the payment of dues or assessments, will be suspended until such time as the delinquency is cured.
25 There shall never be more than seven hundred fifty (750) Lots.

26 Section 5: Membership Certificates: In its discretion, the Board of Trustees of the Association may, but need not,
27 issue appropriate membership certificates evidencing membership in the Association.

28 Section 6: Registered Address: Each Lot Owner is responsible for providing the Association with the Registered
29 Address to which official notices are to be mailed. Each Lot Owner has the burden to assure that the Association has
30 the Registered Address for their Lot.

31 Section 7: Dues & Assessments: All Owners of a Lot shall be jointly, severally and personally liable for the payment
32 of dues and assessments as may from time to time be fixed and levied by the Board of Trustees on Lots pursuant to
33 the provisions of Article V of these Bylaws; provided, however, that each levy must be applied in a uniform manner
34 among all Lots. Regular dues and assessments shall be due and payable the first day of January each year unless the
35 Lot Owner elects to make quarterly or monthly installment payments. Quarterly and monthly payments shall include
36 an administrative fee as determined by the Board of Trustees. Quarterly payments shall be made by the first day of
37 January, April, July and October. Monthly payments shall be made on the first day of each month. The Board of
38 Trustees may require that quarterly and monthly payments be made by electronic funds transfers. Payment of dues
39 and assessments will be considered past due and delinquent if not paid within fifteen (15) days of the due date. If
40 such dues and assessments are not paid by the member when they are due, they shall bear interest from the due date
41 at one and one-half percent (1 ½%) per month and the Board of Trustees may require the delinquent member to pay
42 a late charge equal to five percent (5%) of the total balance, but not less than fifty dollars (\$50.00).

43 Section 8: Enforcement of Payment of Dues and Assessments: Should any Lot Owner fail to pay the dues and
44 assessments before delinquency, the Association, in the discretion of the Board of Trustees, shall have the right to
45 enforce payment of delinquent dues and assessments by (a) filing and maintaining legal action against a delinquent
46 Lot Owner, or (b) recording in the office of the Recorder of Salt Lake County a claim of lien for delinquent dues and

1 assessments against the estate and improvements thereon owned by the delinquent Lot Owner and by foreclosing the
2 lien in accordance with the laws of the State of Utah then in effect governing the foreclosure of Trust Deeds on real
3 property. There shall be added to any claim hereunder, the amount of the delinquent dues and assessments, the late
4 charges, the costs of preparing and filing the complaint or the lien and, in the event a judgment is obtained, the
5 judgment shall include said interest and attorneys' fees together with the costs of action. Upon transfer to a
6 subsequent Lot Owner, the new Lot Owner(s) becomes jointly and severally liable with the former Lot Owner(s) for
7 all dues, interest, penalty charges or judgments with respect to the Lot.

8 Section 9: Curing of Delinquency: Upon the timely curing of any delinquency for which a notice or claim of lien or
9 any legal action has been filed by the Association pursuant to Section 8, the Association may file or record an
10 appropriate release of lien or dismissal of action, as the case may be, upon the payment by the Lot Owner of a fee, to
11 be determined by the Board of Trustees, to cover the costs of preparing, filing and recording the release, together
12 with the payment of all other costs, interests or fees as shall have accrued in connection with the Lot.

13 Section 10: Architectural Control Enforcement (Bond): Prior to approval by the Architectural Committee, as set
14 forth in Article VII of the Declaration, for the alteration, improvement or construction of a residence, carriage house,
15 additional garage or other structure (with a construction cost in excess of \$10,000.00), the Association may require
16 the Lot Owner to post a cash bond in a sum not to exceed \$5,000.00 (plus interest accrued thereon, if any), to assure
17 and enforce compliance with all requirements of the plan approved by the Architectural Committee or Association,
18 the Declaration, these Bylaws, rules and regulations of the Association and all other requirements established by the
19 Association or Board of Trustees, with reference to both the Association and the proposed project of the Lot Owner.
20 The cash bond may be held in a local financial institution specified by the Lot Owner, provided it is an institution
21 whose deposits are insured or guaranteed by the United States or by a department, agency or instrumentality of the
22 United States or backed by the full faith and credit of the United States. All interest on the cash bond (if any) will
23 accrue to the benefit of the Lot Owner, who shall be responsible for all tax thereon. The account for the cash bond
24 will be in the name of the Association as custodian for the Lot Owner and the Lot Owner will provide a tax
25 identification number to be used in connection with the account and to be shown as the recipient of all interest
26 thereon. The cash bond provided for herein (or any portion which remains) shall not be terminated and returned to
27 the Lot Owner without the approval of the Architectural Committee or Board of Trustees and only after the proposed
28 project has been completed as set forth in the approved plans, the Lot Owner is in full compliance with all financial
29 obligations to the Association (including all fines levied in connection with the construction, improvement or
30 alteration), and all landscaping has been completed (including installation of a swale to retain the Lot Owner's
31 proportionate share of water), all in accordance with the Declaration, these Bylaws, rules and regulations of the
32 Association and all other requirements established by the Association or Board of Trustees. In the discretion of the
33 Board of Trustees, the cash bond may be used to pay for attorneys' fees to enforce the plans approved by the
34 Architectural Committee or the Board of Trustees, the Declaration, these Bylaws, rules and regulations of the
35 Association and all other requirements established by the Association or Board of Trustees, or may be used to have
36 contractors perform work on the Lot in order to conform to the structure or Lot to the plans approved by the
37 Architectural Committee or the Board of Trustees, the Declaration, these Bylaws, rules and regulations of the
38 Association and all other requirements established by the Association or Board of Trustees.

39 Section 11: Architectural Control Enforcement (Stop Orders and Fines): Any approval granted by the Architectural
40 Committee or the Board of Trustees for the improvement, alteration or construction of any Lot may be rescinded
41 upon issuance of a stop order by the Architectural Committee or the Board of Trustees, at which time the Lot Owner
42 and any persons working for or in concert with the Lot Owner will cease all further work. Any stop order issued by
43 the Architectural Committee shall become effective immediately, but the Lot Owner may appeal the basis for the
44 issuance of the Stop Order to the Board of Trustees at the next regularly scheduled meeting of the Board of Trustees.
45 Any knowing and flagrant deviation from the plans approved by the Architectural Committee or the Board of
46 Trustees (as determined solely by the Board of Trustees) or violation of the Declaration, these Bylaws, rules and
47 regulations of the Association or any requirements established by the Association or Board of Trustees permits the
48 Board of Trustees, with or without the consent or recommendation of the Architectural Committee, to fine the Lot
49 Owner in a sum not to exceed \$100.00 per day until the violation is remedied, which fine shall become a lien upon
50 the Lot. In no case may a fine be levied until the Lot Owner has had a reasonable and sufficient time to remedy the
51 violation (as determined in the sole discretion of the Board of Trustees). No fine may be levied by the Board of
52 Trustees without the affirmative vote of two-thirds of the members of the Board of Trustees.

1 **ARTICLE IV**

2 **MEETINGS OF LOT OWNERS**

3 Section 1: Place of Meetings: All meetings of Lot Owners shall be held at the principal office of the Association, or
4 at such other place in the County of Salt Lake as may be fixed from time to time by resolution of the Board of
5 Trustees.

6 Section 2: Annual Meetings: The regular annual meeting of the Lot Owners shall be held on the third Thursday in
7 October of each year, at the hour of 7:00 p.m. in Salt Lake County, provided, however, that the Board by resolution
8 may fix a date for the meeting no more than fifteen (15) days before or after said date. If the day for the annual
9 meeting of the Lot Owners would otherwise be scheduled on a legal holiday, the meeting will be held at the same
10 hour on the first Thursday following that is not a legal holiday.

11 Section 3: Special Meetings: Special meetings of the Lot Owners for any purpose may be called at any time by the
12 Board of Trustees, or by any three or more Trustees thereof, or by one or more Lot Owners of the Association
13 entitled to vote not less than seventy five (75) lots.

14 Section 4: Notices of Meetings: Written notice of meetings, annual or special, shall be given to each Lot in Good
15 Standing, either personally or by sending a copy of the notice through the mail, postage prepaid, to the Registered
16 Address appearing on the books of the Association for the purpose of notice. All notices shall be placed in the
17 United States Mail, postage prepaid, to each Lot in Good Standing not less than fifteen (15) days before each
18 meeting, and shall specify the place, the day and the hour of the meeting, and in case of special meetings, the specific
19 nature of the business to be transacted. If the business to be transacted requires a vote of the Lots represented or
20 present at the meeting, the notice of that meeting shall include the specific proposal upon which each Lot will vote. If
21 delivery is by mail, it shall be deemed to be delivered one day after it has been deposited in the United States Mail.

22 Section 5: Quorum and Voting Procedure: Those present at a meeting of Lot Owners entitled to cast votes, or of
23 proxies entitled to cast votes, shall constitute a quorum for any action except as otherwise provided in the Articles of
24 Incorporation, the Declaration, or these Bylaws. Except where a greater or lesser portion of the voting power is
25 required by the Articles of Incorporation, the Declaration, or these Bylaws, a two-thirds majority of the voting power
26 present, in person, or by absentee ballot, or by proxy, shall prevail at all meetings.

27 Section 6: Proxies and Absentee Ballots: Every Lot in Good Standing, through its Lot Owners entitled to vote or
28 execute consents, shall have the right to do so either in person, or by absentee ballot, or by an agent or agents
29 authorized by a written proxy executed by the Lot Owner or the Lot Owner's duly authorized agent and filed with the
30 Secretary of the Association, provided that no proxy shall be valid for a time period of more than eleven (11) months
31 from the date of its execution. Any agent or proxy shall be limited to exercise the vote of three Lots only.

32 Section 7: Action Without Meeting: Any action which, under any provision of the Articles, these Bylaws, or the
33 General Nonprofit Corporation Law of the State of Utah, may be taken at a meeting of Lot Owners, may be taken
34 without a meeting if authorized in writing signed by Lot Owners entitled to exercise a two-thirds majority of the
35 voting power of the Association and filed with the Secretary of the Association.

36 **ARTICLE V**

37 **TRUSTEES**

38 Section 1: Powers and Duties: Subject to limitations of the Articles of Incorporation, the Declaration, or these
39 Bylaws and of the Utah Corporations Code as to action to be authorized or approved by the Lot Owners, and subject
40 to the duties of the trustees as prescribed by these Bylaws, all corporation powers shall be exercised by or under the
41 authority of, and the business and affairs of the Association shall be controlled by the Board of Trustees. Without
42 prejudice to those general powers but subject to the same limitations, the trustees are vested with and shall have the
43 following powers and duties to wit:

- 44 a) To select, appoint, and remove all officers, agents, and employees of the Association, to prescribe powers
45 and duties for them as may be consistent with law, with the Articles of Incorporation, the Declaration or

1 these Bylaws, to fix their compensation and to require from them security for faithful service when deemed
2 advisable by the Board.

- 3 b) To conduct, manage and control the affairs and business of the Association, and to make and enforce rules
4 and regulations thereof consistent with law, with the Articles of Incorporation, the Declaration or these
5 Bylaws, as the Board may deem necessary or advisable.
- 6 c) To change the principal office for the transaction of the business of the Association from one location to
7 another within the county of Salt Lake, as provided in Article II hereof; to designate any place within said
8 County for the holding of any annual or special meeting or meetings of Lot Owners; to adopt and use a
9 corporate seal; and to prescribe the form of certificates of memberships to persons as shall be eligible for
10 membership, as provided in Article III of these Bylaws.
- 11 d) Each year, at least sixty (60) days prior to the annual meeting of Lot Owners, to cause to be prepared and
12 updated the annual Replacement Fund Study that includes a plan to reserve sufficient funds in the Reserve
13 Fund for the future major repair or replacement of the Association's Common Facilities, or the addition of
14 new Common Facilities.
- 15 e) To prepare an annual Operating Budget and an annual Capital Improvement Budget, which shall include all
16 proposed expenditures for the upcoming fiscal year and estimated amounts for future repair and
17 replacement expenditures in accordance with the annual Replacement Fund Study. The proposed Operating
18 and Capital Improvement Budgets may each contain a contingency account not to exceed five percent (5%)
19 of the respective budgets. Each budget shall include line item accounts indicating the nature and amount of
20 the proposed expenditure. Each budget shall be approved separately by a two-thirds majority of the Board
21 of Trustees before each can be presented to the Lot Owners for ratification. Upon approval by the Board of
22 Trustees, each proposed budget, together with historical financial information from the previous two years
23 and the projected current year budget, shall be mailed United States Mail, postage prepaid to each Lot, at
24 least fifteen (15) days prior to the annual meeting. To present to the Lot Owners for ratification, the
25 Operating Budget and the Capital Improvement Budget and the Replacement Fund Study for the upcoming
26 fiscal year, which shall be the calendar year. Each budget to be ratified separately upon the assent of a
27 majority of the voting power present, in accordance with the voting procedure set forth in Section 5 of
28 Article IV of these Bylaws.

29 The ratified Operating and Capital Improvement and Reserve Fund Budgets are to be administered
30 independently of each other and accounted for separately. Transfer of funds or expenditures between the
31 budgets is not to occur except as follows:

32 Surplus Operating funds remaining after the close and audit of the fiscal year (including unspent
33 contingency funds or unspent funds from any budgeted line item) may be applied toward the
34 subsequent year operating expenses or contingency account and thereby directly reduce subsequent
35 year operating dues and assessments, or surplus Operating funds may be transferred to the Reserve
36 Fund.

37 In the event of an extreme emergency requiring immediate action caused by natural disaster, acts
38 of God, acts of lawlessness, accidents, and action of mobs or public enemy or other calamitous
39 events, the Board of Trustees may, by a unanimous vote of the Trustees, transfer funds from either
40 the Operating Fund and/or the Reserve Fund to pay for the labor, materials and other justified
41 expenses to make such repairs or modifications as maybe required. This special authorization by
42 the Board of Trustees for extreme emergency shall not exceed twenty percent (20%) of the then
43 current Operating Budget.

44
45 A shortfall in either the Operating Fund or Capital Improvement Fund Budget prior to the end of the fiscal
46 year will require approval of the additional expenditure together with the dues or special assessment
47 required to fund the shortfall, by a two-thirds majority of the Trustees, and by a majority of Lots voting in a
48 duly noticed special meeting of Lot Owners.

- 49 f) To incur short term indebtedness or expense with vendors and suppliers for the purposes of acquiring
50 incidental services and for the routine operations of the Association, provided those purposes and services

1 are contained in the annual Operating Budget and ratified in the annual meeting or a special meeting of Lot
2 Owners prior to incurring the indebtedness or expense.

- 3 g) To borrow money and to incur indebtedness for capital improvement purposes of the Association, provided
4 the purposes are contained in the annual Capital Improvement Budget and ratified in the annual meeting or
5 a special meeting of Lot Owners prior to incurring the indebtedness or expenditure; and to cause to be
6 executed and delivered therefore, in the Association's name, promissory notes, or other evidences of
7 indebtedness.
- 8 h) To fix and levy from time to time regular dues and assessments, for the operation and capital improvement
9 of the Association upon the Lots; to fix and levy from time to time in any calendar year **special** assessments
10 applicable to that year only for capital improvements with the assent of two-thirds of the voting members;
11 provided, however, that all dues and assessments shall be fixed and levied only to provide for the payment
12 of the expenses of the Association and of taxes and assessments upon real or personal property owned,
13 leased, controlled or occupied by the Association, or for labor rendered or materials or supplies used and
14 consumed, or equipment and appliances furnished for the maintenance, improvement or development of the
15 Common Area or for the payment of any and all obligations in relation thereto, or in performing or causing
16 to be performed any of the purposes of the Association for the general benefit and welfare of its Lot
17 Owners, and the Board of Trustees is hereby authorized to incur any and all such expenditures for any of the
18 foregoing purposes and to provide adequate reserves for replacements in accordance with a Replacement
19 Fund Study in the interest of the Association or welfare of its Lot Owners, provided the expenditures are
20 generally contained in the ratified Operating or Capital Improvement Budgets prior to incurring said
21 expenditures. All assessments shall be fixed at a uniform rate for all Lots by dividing the ratified Operating
22 Budget and Capital Improvement Budget by the number of Lots in the Association. Should any Lot Owners
23 fail to pay dues and assessments before delinquency, the Board of Trustees in its discretion is authorized to
24 enforce the payment of delinquent dues and assessments as provided in Article III, Section 8 of these
25 Bylaws.
- 26 i) To enforce the provisions of the Declaration, these Bylaws and rules and regulations of the Association,
27 including the imposition of fines as provided herein.
- 28 j) To contract for and pay fire, casualty, liability and other insurance insuring the Lot Owners and Common
29 Area, including bonding of the members of any management body, if deemed advisable by the Board.
- 30 k) To contract for and pay for maintenance, gardening, utilities, materials and supplies, and Community
31 Services relating to the Common Area and to employ personnel necessary for the operation of the Service
32 Area, including gatekeepers, legal services, and accounting services, provided the purposes and services are
33 contained in the ratified annual Operating Budget prior to incurring the indebtedness or expense. To
34 contract for and pay for improvements, replacements and additions to the Common Area provided they are
35 contained in the ratified annual Capital Improvement Budget prior to incurring the indebtedness or
36 expenditure.
- 37 l) To delegate its powers according to law, and subject to the approval of the Lot Owners, to adopt these
38 Bylaws.
- 39 m) To grant or abandon easements where necessary for pathways, and utilities and sewer facilities over the
40 Common Area to serve the Common Areas and the Lots.

41 Section 2: Number and Qualifications of Trustees: The Board of Trustees shall consist of nine (9) Lot Owners, **or**
42 **spouses of Lot Owners or the Trustor or Settlor of a Trust which is a Lot Owner, or a spouse of said Trustor**
43 **or Settlor**, until changed by amendment to the Articles, or by an amendment to this Article V, Section 2 of these
44 Bylaws, fixing or changing the number, adopted by the vote or written assent of Lots entitled to exercise a majority
45 of the voting power. Only Lot Owners, **or spouses of Lot Owners or the Trustor or Settlor of a Trust which is a**
46 **Lot Owner, or a spouse of said Trustor or Settlor**, of Lots in good standing of the Association and 18 years of age
47 or older may serve as Trustees.

48 Section 3: Election and Term of Office: The trustees shall be elected at each annual meeting of Lot Owners, but if an
49 annual meeting is not held, or if the trustees are not elected at an annual meeting, the trustees may be elected at any
50 special meeting of Lot Owners held for that purpose as outlined in Article IV, Section 3 of these Bylaws. A trustee's

1 term of office commences upon conclusion of the election at which the trustee is elected. One third of the trustees
2 will be elected each year to serve a three year term. The election of trustees shall be by secret ballot with the results
3 made part of the official meeting minutes and the permanent records of the Association. Election results will be made
4 available to any Lot Owner upon request at the office of the Association.

5 Section 4: Vacancies: Vacancies on the Board of Trustees may be filled by a majority of the remaining trustees, and
6 each trustee so seated shall hold office for the remaining term and until his successor is elected. The Board of
7 Trustees will seek to fill each vacancy with willing and qualified candidates and may select an individual from the
8 previous annual election.

9 A vacancy or vacancies shall be deemed to exist in case of the death, resignation, or removal of any trustee. If the
10 Lot Owners shall increase the authorized number of trustees but shall fail to elect the additional trustees as provided
11 for at the meeting at which such increase is authorized, or at an adjournment thereof, or in case the Lot Owners fail at
12 any time to elect the full number of the authorized trustees, a vacancy or vacancies shall be deemed to exist.

13 The Lot Owners may at any time elect trustees to fill any vacancy not filled by the trustees, and may elect the
14 additional trustees at the meeting at which an amendment of the Bylaws is voted authorizing an increase in the
15 number of trustees.

16 No reduction of the number of trustees shall have the effect of removing any trustee prior to the expiration of his
17 term of office.

18 Section 5: Place of Meetings: All meetings of the Board of Trustees shall be held at the principal office of the
19 Association, or at any other places within the County of Salt Lake designated at any time by resolution of the board
20 or by written consent of all members of the Board.

21 Section 6: Organization Meeting: Within ten days following each annual meeting of Lot Owners, the Board of
22 Trustees shall hold a meeting for the purpose of organization, election of Officers in accordance with Section 11 of
23 this Article and the transaction of other business. Election results will be made available to any Lot Owner upon
24 request at the office of the Association. Notice of such meeting is not required and is hereby waived.

25 Section 7: Regular Meetings: Regular meetings of the Board of Trustees may be held without call at such place and
26 day and hour as may be fixed from time to time by resolution of the Board of Trustees; provided, should said day fall
27 upon a legal holiday or a Sunday, then the meeting which otherwise would be held on said day shall be held at the
28 same time on the next day thereafter which is not a legal holiday or a Sunday, or other day established by the Board
29 of Trustees.

30 Section 8: Special Meetings - Notices: Special meetings of the Board of Trustees for any purpose may be called at
31 any time by the Chair or by the President, or if they are unable or refuse to act, by the Vice President or by any two
32 Trustees.

33 Written notice of the time and place of special meetings shall be delivered personally to the trustees or sent to each
34 trustee by letter or by facsimile, postage or charges prepaid, addressed to each trustee at the Registered Address as it
35 is shown upon the records of the Association. In case notice is mailed, it shall be deposited in the United States Mail
36 at or near the place in which the principal office of the Association is located at least seventy two (72) hours prior to
37 the time of the holding of the meeting. Mailing, faxing or delivery as provided herein shall be sufficient notice to
38 each trustee.

39 Section 9: Notice of Adjournment: Notice of adjournment of any Trustees' meeting, either regular or special, need
40 not be given to absent trustees if the time and place are fixed at the meeting adjourned.

41 Section 10: Waiver of Notice: The transaction of any business at any meeting of the Board of Trustees, however
42 called and noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and
43 notice, if a quorum be present, and if, either before or after the meeting, each of the trustees not present signs a
44 written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such
45 waivers, consents, or approvals shall be filed with the records of the Association or made a part of the minutes of the
46 meeting.

47 Section 11: Quorum and Manner of Voting: A majority of the number of trustees as fixed by the Articles of
48 Incorporation or these Bylaws shall be necessary to constitute a quorum for the transaction of business, except to

1 adjourn as hereinafter provided. Every act or decision made or done by a majority of the trustees present at a meeting
2 duly held at which a quorum is present shall be regarded as the act of the Board of Trustees. The vote of each
3 Trustee present at a board meeting shall be recorded in the official minutes and the permanent records of the
4 Association. Each trustee's vote will be cast and recorded in favor of, opposed to, or abstaining from each matter
5 brought before the board for a vote. It is the duty of the Secretary of the Board or the assignee of the Secretary, to
6 record all votes.

7 Section 12: Adjournment: A quorum of the trustees may adjourn any Trustees' meeting to meet again at a stated day
8 and hour; provided, however, that in the absence of a quorum, a majority of the trustees present at any Trustees'
9 meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of
10 the Board.

11 Section 13: Consent of Board Obviating Necessity of Meeting: Notwithstanding anything to the contrary contained
12 in these Bylaws, any action required or permitted to be taken by the Board of Trustees may be taken without a
13 meeting if all members of the Board of Trustees shall individually or collectively consent in writing to the action.
14 Any written consent or consents shall be filed with the minutes of the proceedings of the Board. All action by written
15 consent shall have the same force and effect as a unanimous vote of such trustees.

16 Section 14: Fees and Compensation: No trustee or officer shall be paid any salary or other compensation for service
17 as Trustee or Officer and no Trustee or Officer shall receive, directly or indirectly, any other profit or pecuniary
18 advantage by virtue of that person's status as Trustee or Officer; provided, however, that a Trustee or Officer may be
19 reimbursed for incidental expenses in performance of assigned duties. Nothing herein contained shall be construed to
20 preclude any trustee or officer from serving the Association as agent, counsel, or any capacity other than as trustee or
21 officer, provided that the vote of any trustee who is selected to so serve shall not be counted when selection is made.

22 Section 15: Presiding Officer: The members of the Board of Trustees shall elect one of their number to act as chair
23 and one of their number to act as Secretary. Nominees for Chair of the Board must have one year prior experience as
24 a member of the Pepperwood Board of Trustees. The Chair and Secretary of the Board of Trustees may also be
25 elected to fill the same office of the Corporation as outlined in Article VI. The Chair shall preside at all meetings and
26 the Secretary shall record or cause to be recorded, the minutes of all meetings of the Board of Trustees and of the
27 Annual Meeting of Lot Owners.

28 Section 16: Indemnification of Trustees, Officer, and Employees: Except to the extent prohibited by then applicable
29 law, this corporation shall reimburse, indemnify and hold harmless each present and future trustee, officer, and
30 employee of this corporation and each person who, at the request of this corporation acts as a trustee, officer or
31 employee of any other corporation in which this corporation has an interest (but specifically excluding any
32 contractors of the Association), from and against all loss, cost, liability and expense which may be imposed upon or
33 reasonably incurred, including reasonable settlement payments, in connection with any claim, action, suit or
34 proceedings, or threat thereof, made or instituted, in which he may be involved or made a party by reason of his
35 being or having been a director, officer or employee of this Association or such other corporation, or by reason of
36 any action alleged to have taken or omitted by him in such capacity, if a disinterested majority of the Board of
37 Trustees of this corporation (or, if a majority of the Board of Trustees is not disinterested, then independent legal
38 counsel) determines in good faith that such person acting in good faith (a) within what he reasonably believed to be
39 the scope of this authority or employment, and (b) for a purpose which he reasonably believed to be in the best
40 interests of the corporation.

41 The right of indemnification provided in this section shall inure to each person referred to in this section, whether or
42 not the claim asserted against him is based on matters which arose in whole or in part prior to the adoption of this
43 section and in the event of his death shall extend to his legal representatives. The right of indemnification provided in
44 this section shall not be exclusive of any other rights to which any such person, or any other individual, may be
45 entitled as a matter of law (including, without limitation, his rights under the Corporation Code of the State of Utah),
46 or under any agreement, vote of trustees or Lot Owners or otherwise.

47 Section 17: Removal: Any Trustee may be removed from the Board, for or without cause, by the affirmative vote of
48 a two thirds majority of the Lot Owners of the Association present, in person, or by proxy, or by absentee ballot at
49 any regular or special meeting of Lot Owners, provided notice of the purpose is mailed by United States first class
50 mail postage prepaid at least 15 days prior to the meeting.

1 **ARTICLE VI**

2 **OFFICERS**

3 Section 1: **Officers**: The officers of the Association shall be a President, Vice President, a Secretary and a Treasurer,
4 which officers shall be elected by and hold office at the pleasure of the Board of Trustees. Each of the officers may,
5 but need not, be a member of the Board of Trustees. Any two or more of these offices may be held by the same
6 person, except the offices of President and Secretary, which may not be held by the same person.

7 Section 2: **Election**: The officers of the Association, except officers as may be appointed in accordance with the
8 provisions of Section 3 or Section 5 of this Article, shall be chosen annually by the Board of Trustees, and each shall
9 hold office until resignation or removal or other disqualification to serve, or until his successor shall be elected and
10 qualified.

11 Section 3: **Additional Officers**: The Board of Trustees may appoint other officers as the business of the Association
12 may require, each of whom shall hold office for no longer than the term of the current Board of Trustees, have
13 authority and perform duties as are provided in these Bylaws or as the Board of Trustees may from time to time
14 determine.

15 Section 4: **Removal and Resignation**: Any officer may be removed, either with or without cause, by the vote of the
16 majority of all the trustees then in office at any regular or special meeting of the Board at which a quorum is present.

17 Any officer may resign at any time by giving written notice to the Board of Trustees or to the President or to the
18 Secretary of the Association. Subject to the provisions of Section 4 of this Article, any resignation shall take effect as
19 of the date of the receipt of notice or at any later time specified therein; and, unless otherwise specified therein, the
20 acceptance of such resignation shall not be necessary to make it effective.

21 Section 5: **Vacancies**: A vacancy in any office because of death, resignation, removal, disqualification or any other
22 cause shall be filled in the manner prescribed in these Bylaws for regular appointments to the vacated office.

23 Section 6: **President**: The President shall be the chief executive officer of the Association and shall, subject to the
24 control of the Board of Trustees, have general supervision, direction, and control of the business and officers of the
25 Association. The President may, but need not be, the Chair of the Board of Trustees. The President shall be an ex-
26 officio member of all standing committees, if any, and shall have the general powers and duties of management
27 usually vested in the office of the President of a corporation, and shall have other powers and duties as may be
28 prescribed by the Board of Trustees or these Bylaws.

29 Section 7: **Vice President**: In the absence or disability of the President, the Vice President shall perform all the duties
30 of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions upon the office
31 of President. The Vice President shall have other powers and perform such other duties as from time to time may be
32 prescribed for him by the Board of Trustees or the Bylaws.

33 Section 8: **Secretary**: The Secretary shall keep, or cause to be kept, a book of Minutes at the principal office or other
34 place as the Board of Trustees may order, of all meetings of trustees and Lot Owners, with the time and place of the
35 holding of the same, whether regular or special, and if special, how authorized, the notice thereof given, the names of
36 those present or represented at meetings of Lot Owners and the proceedings thereof.

37 The Secretary shall keep, or cause to be kept, at the principal office, a membership register showing the following:
38 (1) the names and addresses of all members of the Board of Trustees; (2) the names of the Lot Owners and their
39 Registered Addresses; (3) the Lot to which each membership relates; (4) the number of memberships held by each
40 Lot Owner; (5) the number of votes represented by each Lot Owner; (6) the number of and date of membership
41 certificates issued, if any; and (7) the number and date of cancellation of membership certificates, if any.

42 The Secretary shall give, or cause to be given, notice of all meetings of the Lot Owners and of the Board of Trustees
43 required by the Bylaws or by law to be given, and shall keep or cause to be kept the seal of the Association in safe
44 custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of
45 Trustees or by these Bylaws.

46 Section 9: **Treasurer**: The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and
47 correct accounts of the Common Area and business transactions of the Association on an accrual basis in accordance

1 with generally accepted accounting principles. The books of account shall at all reasonable times be open to
2 inspection by any trustee or by any Lot Owner.

3 The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such
4 depositories as may be designated by the Board of Trustees. All monies under the control of the Association,
5 including all Reserve Fund monies, shall be deposited in interest bearing accounts to yield the maximum reasonable
6 net return on those monies taking into account the safety of the deposit or investment, provided however, that all
7 deposits or investments of Association controlled monies must be insured or guaranteed by the United States or by a
8 department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States,
9 and no degree of uninsured risk to the principal deposit. Reserve Fund monies shall be of liquidity consistent with
10 the needs for those funds as determined by the Replacement Fund Study. Reserve Fund monies shall not be
11 combined or co-mingled with the general operating funds of the Association or any other monies in the control of the
12 Association. The Treasurer or his duly authorized designee shall disburse the funds of the Association as may be
13 ordered by the Board of Trustees, shall render to the President and trustees, whenever they request it, and at each
14 regular meeting of trustees, an account of all financial transactions of the Association and of the financial condition
15 of the Association, and shall have other powers and perform other duties as may be prescribed by the Board of
16 Trustees or these Bylaws.

17 ARTICLE VII

18 MISCELLANEOUS

19 Section 1: Record Date and Closing Membership Register: The Board of Trustees may fix a time, not exceeding
20 twenty-five (25) days preceding the date of any annual or special meeting of the Lot Owners, as a record date for the
21 determination of the Lot Owners entitled to notice of and to vote at that meeting, and in each case only Lot Owners
22 of record and Lots in Good Standing as defined in Article I, on the date so fixed shall be entitled to notice of and to
23 vote at that meeting, notwithstanding any transfer of any membership on the books of the Association after any
24 record date so fixed. For the purpose of determining the record date, the Board of Trustees may close the books of
25 the Association against transfer of membership during the whole, or any part, of any such period.

26 Section 2: Inspection of Corporate Records: The Membership register, the books of account, and minutes of
27 meetings of the Lot Owners' and trustees' meetings shall be open to the inspection of the Lot Owners at reasonable
28 times from time to time and in the manner provided in the Corporations Code of the State of Utah relating thereto.

29 Section 3: Checks, Drafts, etc.: All checks, drafts, or other orders for payment of money, notes or other evidences of
30 indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by officers and in the
31 manner as, from time to time, shall be determined by resolution of the Board of Trustees.

32 Section 4: Contracts, etc., How Executed: The Board of Trustees, except as in these Bylaws otherwise provided, may
33 authorize any officer or officers, agents or agent, to enter into any contract or execute any instrument in the name of
34 and on behalf of the Association, and that authority may be general or confined to specific instances; and unless so
35 authorized by the Board of Trustees, no officer, agent, or employee shall have any power or authority to bind the
36 Association by any contract or engagement or to pledge its credit or to tender it liable for any purpose or for any
37 amount.

38 Section 5: Inspection of Bylaws: The Association shall keep in its principal office for the transaction of business the
39 original or a copy of the Bylaws as amended, certified by the Secretary, which shall be open to inspection by all of
40 the Lot Owners at all reasonable times.

41 Section 6: Annual Independent Financial Audit and Replacement Fund Study: An annual independent financial audit
42 of the accounts of the Association or any management body shall be made by an independent certified public
43 accounting firm prior to **June 30th** of each succeeding year and kept with the permanent records of the Association.
44 A copy of such review shall be available for the inspection of each Lot Owner upon request. Each year an annual
45 Replacement Fund Study shall be prepared by an independent certified public accounting firm at least sixty (60) days
46 prior to the annual meeting of Lot Owners. The cost of the annual independent financial audit and of the
47 Replacement Fund Study shall be included as a line item in the annual Operating Budget.

1 A complete financial audit of the account or accounts of the Association or any management body shall be conducted
2 by an independent certified public accounting firm upon the vote of a majority of the Lot Owners at the annual
3 meeting or any special meeting of Lot Owners.

4

5 Section 7: Singular Includes Plural: Wherever the context of these Bylaws requires it, the singular shall include the
6 plural and the masculine shall include the feminine.

7

ARTICLE VIII

8

AMENDMENTS

9 Section 1: Powers of Lot Owners: The Bylaws of this Association may be adopted, amended or repealed by the vote
10 or written assent of Lots entitled to exercise a two-thirds majority of the voting power, or the vote of a two-thirds
11 majority of a quorum at a meeting of Lot Owners duly called for such purpose, provided the proposed amendment
12 has been submitted to each Lot together with the advance notice of that meeting.

13 Section 2: Record of Amendments: Whenever an amendment or new Bylaw is adopted, it shall be placed in the book
14 of Bylaws in the appropriate place. If any Bylaw is repealed, the fact of repeal, with the date of the meeting at which
15 the repeal was enacted or written assent was filed, shall be stated in said book.

16 Section 3: Conflicts: In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles
17 shall control; and in the case of any conflict between the Declaration and these Bylaws, the Bylaws shall control.

18

19	Revised 16 March 1995	Manager, Kent Ogaard	
20	Revised 25 October 1995	Manager, Kent Ogaard	
21	Revised 16 October 1997	President, Marty Bodell	
22	Revised 26 October 2000	President, Donna Lyon	Secretary, Anita Ashby
23	Revised 25 October 2012	President, Devere Anderson	Secretary, Doug Haymore
24	551428		