

Single Family Lot Sales Agreement Package



Silver Springs Development, Inc.

B Y L A W S

OF

SILVER SPRINGS HOMEOWNERS' ASSOCIATION

I.

TITLE

These are the Bylaws of SILVER SPRINGS HOMEOWNERS' ASSOCIATION.

II.

DEFINITIONS

1. Association. "Association" shall mean and refer to SILVER SPRINGS HOMEOWNERS' ASSOCIATION.

2. Project. "Project" shall mean and refer to the planned unit development project constructed on that certain real property described in the Declaration of Covenants, Conditions and Restrictions for Silver Springs Development Subdivision, and all amendments thereto, recorded in the Office of the Summit County Recorder, and such additional properties as may hereafter be brought within the jurisdiction of the Homeowners' Association.

3. Common Areas and Facilities. "Common Areas and Facilities" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

4. Lot. "Lot" shall mean and refer to any residential lot within the Project.

5. Owner. "Owner" shall mean and refer to the record owners, whether one or more persons or entities, of the fee simple title to any lot which is a part of the Project, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

6. Declarant. "Declarant" shall mean and refer to Silver Springs Development, a Utah corporation, and its successors and assigns.

7. Declaration. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions of Silver Springs Subdivisions, and all amendments thereto, applicable to the properties and recorded in the Office of the Summit County Recorder, State of Utah.

8. Member. "Member" shall mean and refer to each of those persons entitled to a membership in the Association as provided in the Declaration and in the Articles of Incorporation of the Association.

9. All other references used, but not otherwise defined herein, shall have the meanings defined in the Declaration.

III.

APPLICATION

All present or future lot owners, occupants, or any other person or persons who might use the facilities of SILVER SPRINGS HOMEOWNERS' ASSOCIATION in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the lots or the mere act of occupancy or use of any of said lots or the Common Areas will signify that these Bylaws are accepted, ratified and will be complied with by such persons.

IV.

ADMINISTRATION

1. Place of Meeting. Meetings of the lot owners shall be held in such place within the State of Utah as the Board of Trustees may specify in the notice, except as herein otherwise specified.

2. Annual Meetings. The first annual meeting of the lot owners shall be held on the first Monday of January, 1980 at such place as the Board of Trustees shall specify. Thereafter, the annual meeting shall be held on such day of each succeeding year; provided, however, that whenever such date falls on a legal holiday, the meeting shall be held on the next succeeding business day, and provided further, that the Board of Trustees may by resolution fix the date of the annual meeting on such date and at such place as the Board of Trustees may deem appropriate.

3. Special Meetings. Special meetings of the lot owners may be called at any time by written notice served by the Board of Trustees, or by lot owners having 35 percent of the total votes, delivered not less than ten days prior to the date fixed for such meeting. Such meeting shall be held on the Project or such other place as the Board of Trustees may specify and the notice thereof shall state the place, date, time and matters to be considered.

4. Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered 48 hours after a copy of the same has been deposited in the United States Mail, postage prepaid, addressed to each lot owner at the address given by such person to the Board of Trustees or the Manager for the purpose of service of such notice or to the lot of such person if no address has been given. Such address may be changed from time to time by notice in writing to the Board of Trustees or Manager.

5. Quorum. At any meeting of the lot owners, the owners of more than fifty percent of the combined votes of all classes of membership entitled to vote shall constitute a quorum for any and all purposes, except where by express provisions a greater vote is required, in which event a quorum shall be the number required for such vote. In the absence of a quorum, the Chairman of the meeting may adjourn the meeting from time to time without notice other than by announcement at the meeting, until holders of the amount of interest requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

6. Voting. When a quorum is present at any meeting, the vote of lot owners representing at least fifty one percent (51%) or more of the combined votes of all classes of membership entitled to vote whether said vote is cast in person or represented by proxy, shall decide any question of business brought before such meeting, including the election of the Board of Trustees, unless the question is one upon which, by express provision of the statutes, Restrictive Covenants or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. All votes may be cast either in person or by proxy. All proxies shall be in writing and in the case of proxies for the annual meeting, shall be delivered to the Board of Trustees or Manager at least three days prior to said annual meeting. Proxies for special lot owners' meetings must be of record with the Board of Trustees or Manager at least three days prior to said special meeting.

7. Voting Rights. The Association shall have two (2) classes of voting membership.

Class A. Class A members shall be all those owners as defined in Section 1 above with the exception of the Declarant. Class A members shall be entitled to one (1) one vote for each lot in which they hold the interest required for membership. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each lot in which it holds the interest required for membership.

8. Waivers of Notice. Any lot owner may at any time waive any notice required to be given under these Bylaws, or by statute or otherwise. The presence of a lot owner in person at any meeting of the lot owners shall be deemed such waiver.

V.

BOARD OF TRUSTEES

1. Purpose and Powers. The business, property and affairs of Silver Springs Homeowners' Association shall be managed and governed by its Board of Trustees, hereinafter referred to as the "Board of Trustees" or "the Board", consisting of three members. The Board of Trustees as it deems advisable may enter into a management agreement or agreements with a third person, firm, or corporation to act as the Manager of the Project. In addition, the Board, shall appoint as it deems advisable, with Declarant's approval, an Architectural Committee consisting of three members.

2. Election and Term of Office. Subject to the provisions of the immediately preceding paragraph, at the first meeting (special or annual) of the lot owners called for the purpose of electing the initial Board of Trustees, three members shall be elected to constitute such Committee. The term of office of one member thereof shall be fixed for three years. The term of office of one member shall be fixed at two years, and the term of office of one member shall be fixed at one year. At the expiration of the initial term of office of each respective member, his successor shall be elected to serve a term of three years. The members shall hold office until their successors have been elected and hold their first meeting.

3. Vacancies. Vacancies on the Board of Trustees caused by any reason whatsoever shall be filled by vote of a majority of the remaining members thereof. If the remaining members consist of less than a quorum, then a special meeting of lot owners shall be called to fill the vacancies. Each person so chosen shall be a member of the Board of Trustees until his successor is elected by the lot owners at the next annual meeting.

4. Removal of Board Members. All members of the Board shall be subject to removal, with or without cause, at any special meeting of the lot owners called for the purpose of considering such removal, by the affirmative vote of lot owners representing at least 2/3 of the combined votes of all classes of membership entitled to vote.

5. Regular Meetings. A regular annual meeting of the Board shall be held immediately after the adjournment of each annual lot owners' meeting. Regular meetings, other than the annual meeting, shall or may be held at regular intervals at such places and at such times as either the President or the Board may from time to time designate.

6. Special Meetings. Special meetings of the Board of Trustees, shall be held whenever called by the President, the Vice President, or by two or more members of the Board of Trustees. By unanimous consent of the Board, special meetings may be held without call or notice at any time or place.

7. Quorum. A quorum for the transaction of business at any meeting of the Board shall consist of a majority of the Board then in office.

8. Compensation. Members of the Board of Trustees, as such, shall not receive any stated salary or compensation; provided that nothing herein contained shall be construed to preclude any member of the Board from serving the Project in any other capacity and receiving compensation therefor.

9. Waiver of Notice. Before or at any meeting of the Board, any member thereof, may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall be a waiver of notice by him of the time and place thereof.

10. Adjournment. The Board of Trustees may adjourn any meeting from day to day or for such other time as may be prudent or necessary, provided that no meeting may be adjourned for longer than thirty (30) days.

11. Fidelity Bonds. The Secretary-Treasurer and all officers and employees of the Board who are authorized to sign checks or otherwise handle funds shall obtain adequate fidelity bonds in an amount equal to the total anticipated assessments for a full year. The premium on such fidelity bonds shall be paid by the Homeowners' Association.

VI.

POWERS AND DUTIES OF THE BOARD OF TRUSTEES

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

A. Adopt and publish rules and regulations governing the use of the common areas and facilities by the Members and their guests, and to establish penalties for any infraction thereof; and

B. To suspend the voting rights and right of use of the common areas and facilities 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 and hearing, for a period not to exceed sixty (60) days from infraction of published rules and regulations; and

C. To exercise on behalf of the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration; and

D. To declare the office of a member of the Board of Trustees to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Trustees; and

E. To employ a Manager, an independent contractor, and 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 the affairs of the Association and to present a statement thereof to the members at the annual meeting of the Association; and to present such statement at any special meeting upon written request given at least ten (10) days prior to such meeting by one fourth (1/4) of the Members entitled to vote; and

B. To supervise all officers, managers, agents and employees of the Association, and to assure that their duties are properly performed; and

C. As more fully provided in the Declaration, to:

1. Fix the amount of the annual assessment against each lot.

2. To send written notice of any assessment to every Owner subject thereto.

3. Within its discretion the Board of Trustees may foreclose any lien against any property for which assessments are not paid or bring an action at law against the Owner personally, as authorized by the Declaration.

D. To issue, or to cause to be issued, upon demand by any voting Member, a written statement setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of any statement. If a signed statement verifies that an assessment has been paid, such statement shall be conclusive evidence of payment; and

E. To acquire and maintain adequate liability and hazard insurance on the common areas and facilities owned by the Association; and

F. To require all officers, managers and employees having fiscal responsibilities to be bonded as the Board may deem appropriate; and

G. To cause the common areas and facilities to be maintained; and

H. To take all other actions directed or permitted in the Declaration.

VII.

OFFICERS

1. Designation and Election. The principal officers of the Board of Trustees shall be a President, a Vice President and a Secretary-Treasurer, all of whom shall be elected by and from the Board of Trustees. The Board may appoint an assistant secretary-treasurer and such other officers as in its judgment

may be necessary or desirable. Such election or appointment shall regularly take place at the first meeting of the Board of Trustees immediately following the annual meeting of the lot owners; provided, however, that elections of officers may be held at any other meeting of the Board of Trustees.

2. Other Officers. The Board may appoint such other officers, in addition to the officers hereinabove expressly named, as it shall deem necessary, who shall have authority to perform such duties as may be prescribed from time to time by the Board.

3. Removal of Officers, Agents and Employees. All officers, agents, and employees shall be subject to removal, with or without cause, at any time by the affirmative vote of the majority of the then members of the Board.

4. President. The President shall be the chief executive of the Board, and shall exercise general supervision over the property and affairs of the Homeowners' Association. He shall sign on behalf of the Homeowners' Association all conveyances, mortgages and contracts of material importance to its business, and shall do and perform all acts and things which the Board may require of him. He shall preside at all meetings of the lot owners and the Board. He shall have all of the general powers or duties which are normally vested in the office of the president of a corporation, including but not limited to, the power to appoint committees from among the members from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Homeowners' Association.

5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the president shall be absent, or unable to act. If neither the president nor the vice president is able to act, the Board of Trustees shall appoint some other member thereof to do so on an interim basis. The vice president shall also perform such other duties as shall from time to time be prescribed by the Board.

6. Secretary-Treasurer. The Secretary-Treasurer shall keep the minutes of all meetings of the Board and of the lot owners, he shall have charge of the books and papers as the Board may direct; and he shall in general, perform all the duties incident to the office of secretary. The secretary-treasurer shall also have responsibility for the funds and securities of the Homeowners' Association and shall be responsible for keeping full and accurate accounts of all receipts of all disbursements in books belonging to the Homeowners' Association. He shall be responsible for the deposit of all monies and all other valuable effects in the name, and to the credit of, the Homeowners' Association in such depositories as may be from time to time designated by the Board.

7. Compensation. No compensation shall be paid to the officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the Homeowners' Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board before the services are undertaken.

VIII.

ACCOUNTING

1. Books and Accounts. The books and accounts of the Homeowners' Association shall be kept under the direction of the Secretary-Treasurer and in accordance with the reasonable standards of accounting procedures.

2. Report. At the close of each accounting year, the books and records of the Homeowners' Association shall be reviewed by a person or firm approved by the lot owners. Report of such review shall be prepared and submitted to the lot owners at or before the annual meeting of the lot owners; provided, however, that a certified audit by a certified public accountant approved by the lot owners shall be made if at least 75 percent of the owners of the combined votes of all classes of membership entitled to vote determine so to do.

3. Inspection of Books. Financial reports, such as are required to be furnished, shall be available at the principal office of the Homeowners' Association for inspection at reasonable times by any lot owners.

IX.

MAINTENANCE AND REPAIR

1. Access. Any officer of the Homeowners' Association or any agent or employee of the Homeowners' Association shall have an irrevocable right to have access to each lot from time to time during reasonable hours that may be necessary for the inspection, maintenance, repair or replacement of any common element therein or accessible therefrom, or for making emergency repairs therein to prevent damage to the common elements or to any other lot or lots.

2. Maintenance and Repair. The Board may hire or enter into a contract with any firm, person or corporation for the maintenance, repair or replacement of the Homeowners' Association property, upon such terms and conditions as the Board deems advisable, and may join with other Board of Trustees' associations in contracting with the same person or corporation

for maintenance and repair. The Board may, by contract or employment agreement, empower and grant to such firms, person or corporation, the right of access, as set forth in Section 1 of this Article. Any such firm, person or corporation shall be subject to removal pursuant to the provisions of paragraph 3 of Article V.

3. Material Alterations. There shall be no material alterations or substantial additions to the Common Areas, except as the same are authorized by the Board of Trustees. Any capital expenditures exceeding the sum of \$10,000 shall be ratified by the affirmative vote of the lot owners representing 25 percent or more of the combined votes of all classes of membership entitled to vote.

4. Decision of Board of Trustees. A good faith decision by the Board that any portion or portions of the Common Areas and Facilities must be repaired or replaced shall be binding upon the lot owners. Any maintenance, repair, or replacement of the Common Areas and Facilities which would result in an additional assessment to any individual lot owner exceeding \$200 must first be approved by the affirmative vote of the lot owners representing 2/3's or more of the combined vote of all classes of membership entitled to vote. This provision, however, shall not be construed to prevent the Board from authorizing or making any emergency alterations, installations, or repairs needed to prevent continued or threatened damage to any lot or the Common Areas and Facilities. Further, this provision shall not apply to repairs, rebuilding, or restoration of the Project occasioned by destruction or damage to said Project.

5. Approval of Payment. Prior to paying any bills for services rendered or materials supplied for the maintenance, repair, or replacement of the Common Areas and Facilities, the Secretary-Treasurer shall submit payment vouchers to the Board for their approval. Upon approval by a majority of the members of the Board, the Secretary-Treasurer shall make the appropriate disbursements.

X.

ANNUAL BUDGET

1. Method of Estimating Budget. The Board of Trustees shall annually estimate expenses and outlays for the coming fiscal year arising out of and in connection with the maintenance, operation and repairs of the Project, in accordance with Paragraph 3 Article V of the Silver Springs Restrictive Covenants, which is included herein by reference and made a part hereof. The Board may revise the annual budget as they deem necessary or prudent.

2. Assessment. Each lot owner shall be assessed his share of the annual budget in proportion to his undivided ownership of the Common Areas and Facilities. Such assessment shall be made on a monthly basis and shall be payable in advance. Such assessment may be revised from time to time in accordance with the Board's budget revision as specified in Section 1 immediately above. Special assessments may be made from time to time in accordance with the provisions of Article X and Article XI of the Silver Springs Restrictive Covenants.

3. Collection. All unpaid assessments may be collected by the Board in the manner specified in paragraphs 16 and 17 of the Declaration, which provisions are included herein by reference and made a part hereof.

XI.

STATEMENT OF ACCOUNT

Upon ten days notice to the President of the Board of Trustees or any Manager designated by such Committee and the payment of a reasonable fee not to exceed \$10, any lot owner shall be furnished a statement of his account setting forth the amount of any unpaid assessment or charge due and owing by such owner, as provided in the Silver Springs Restrictive Covenants.

XII.

ADMINISTRATIVE RULES

The Board may, from time to time, adopt and amend previously adopted administrative rules and regulations covering the details of the operation and use of the Common Areas and Facilities of the Project, provided, however, that no such rules and regulations shall conflict with the Restrictive Covenants, these Bylaws or the provisions of Utah law and in the event of any conflict between the said rules and regulations and the foregoing, the latter shall prevail. The Board shall from time to time, post in a conspicuous place on the Project, a copy of the rules and regulations adopted, from time to time, by the Board of Trustees.

XIII.

USE RESTRICTIONS

The use and maintenance of the lots and the Common Areas and Facilities shall be in accordance with the restrictions and requirements as set forth in the Silver Springs Restrictive Covenants.

XIV.

CONVERSION OF SHARES

Upon the sale, transfer or conveyance of any lot by the developer, one Class "B" share of the Homeowners' Association for each lot sold shall be submitted to the Association by the developer and the Association shall cancel said share and issue one Class "A" share for each lot sold to the purchaser of the lot in question.

XV.

LIMITS OF POWER

The Association, unless at least two-third (2/3) of the first mortgagees (based upon one vote for each first mortgage owned) or owners (other than the sponsor, developer or builder) of the individual units in the PUD have given their prior written approval, shall not be entitled to:

A. By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common property owned, directly or indirectly, by such Association for the benefit of the units in the project (the granting of easements for public utilities or for other public purposes consistent with the intended use of such common property by the Association shall not be deemed a transfer within the meaning of this clause);

B. Change the method of determining the obligations, assessments, dues or other charges which may be levied against a lot owner;

C. By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, the maintenance of the common property party walks or common fences and driveways, or the upkeep of lawns and plantings in the project;

D. Fail to maintain fire and extended coverage on insurable common property on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

E. Use hazard insurance proceeds for losses to any common property for other than the repair, replacement or reconstruction of such common property.

XVI.

AMENDMENT OF BYLAWS

These Bylaws may be amended at any duly constituted meeting of the lot owners called for that purpose by the affirmative vote of at least 2/3 of the combined votes of all classes of membership entitled to vote, provided, however, each of the particulars set forth herein shall always be embodied in these Bylaws.

IN WITNESS WHEREOF, we, being all of the Trustees of the SILVER SPRINGS HOMEOWNERS' ASSOCIATION, have hereunder set our hands this _____ day of _____, 1979.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I AM the duly elected and acting Secretary of the Association, a non-profit corporation, created within the State of Utah; and

THAT THE foregoing Bylaws constitute the original Bylaws of SILVER SPRINGS HOMEOWNERS' ASSOCIATION as adopted at a meeting of the Board of Trustees thereof, held on the _____ day of _____, 1979.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this _____ day of _____, 1979.

Secretary