

BYLAWS
OF
FAIRWAY OAKS HOME OWNERS ASSOCIATION, INC.

ARTICLE 1
NAME, PRINCIPAL OFFICE AND DEFINITIONS

1.1 Name and Location. These are the Bylaws of the Fairway Oaks Home Owners Association, Inc., a Utah domestic nonprofit corporation (the “**Association**”). The Association serves as the governing body for the residential subdivision commonly known “Fairway Oaks at Wolf Creek” located in Eden, Utah (the “**Project**”) which has been subjected to that certain Amended and Restated Declaration of Covenants, Conditions, Restrictions and Reservations for Fairway Oaks Home Owners Association, as may be amended from time to time, to which these Bylaws are attached as Exhibit “C”.

1.2 Principal Office. The principal office of the Association shall be located at such location as may be designated by the Board from time to time, provided that such location is no greater than 45 miles from Eden, Utah.

1.3 Purposes. The Association has been formed to serve as a means by which the Owners may collectively take action with regard to the administration, management and operation of the Project.

1.4 Applicability of Bylaws. The Association, all Owners and all persons using the Project shall be subject to these Bylaws and to all rules and regulations which may be adopted by the Board on behalf of the Association pursuant to the Declaration and these Bylaws.

1.5 Composition of Association. The Association shall be composed of all Owners and the Association, itself, to the extent the Association owns any Lots within the Project. As set forth in the Declaration, each Owner shall be deemed a “**Member**” of the Association.

1.6 Incorporation of Association.

(a) The Association shall be incorporated under the Utah Revised Nonprofit Corporation Act. The Articles of Incorporation of the Association shall be consistent with the Declaration and these Bylaws, and these Bylaws shall constitute the Bylaws of the incorporated Association.

(b) In the event the incorporated Association shall at any time be dissolved, whether inadvertently or deliberately, it shall automatically be succeeded by an unincorporated association of the same name. In that event, all of the property, powers and obligations of the incorporated Association existing immediately prior to its dissolution shall thereupon automatically vest in the successor unincorporated association, which vesting shall thereafter be confirmed and evidenced by appropriate conveyances and assignments by the incorporated Association. To the greatest extent possible, any such successor unincorporated association shall be governed by the Articles of Incorporation and Bylaws of the incorporated Association as if they had been made to constitute the governing documents of the unincorporated association.

1.7 Definitions. The words used in these Bylaws shall be given their normal, commonly understood definitions, except that capitalized terms shall have the same meaning as set forth in the Declaration to which these Bylaws are attached unless the context indicates otherwise.

ARTICLE 2 MEETING OF ASSOCIATION MEMBERS

2.1 Place of Meeting. The Association shall hold meetings at a location that is suitable and convenient to the Members as may be designated by the Board from time to time.

2.2 Annual Meetings. There shall be an annual meeting of the Members which shall be held at the Project or at such other reasonable place and time as may be designated by written notice of the Board delivered to the Members no less than thirty (30) calendar days prior to the date fixed for such meeting.

If an annual meeting is not held within three (3) months after the time provided in these Bylaws, an annual meeting may be called by any ten (10) Owners having voting rights or by Members holding the right to cast ten percent (10%) of the votes entitled to be cast at such meetings, whichever is greater. At or prior to such annual meeting, the Board shall furnish, or cause to be furnished, to each Owner for their review: (i) a copy of the proposed Annual Budget (for the fiscal year in which the annual meeting is held) which will be presented and discussed during such annual meeting, and the estimated allocation of such proposed Annual Budget to each Owner; and (ii) a statement of the actual Common Expenses (including an itemization of receipts and disbursements) incurred by the Association during the previous fiscal year, together with the allocation of such Common Expenses to each Owner; and (iii) a copy of any documents related to any matters described in the annual meeting notice as matters to be discussed and/or approved at such meeting (for example, and without limitation, Association contracts or agreements). Within ten (10) business days after the annual meeting, a copy of the proposed Annual Budget shall be delivered to any Members who were not present at the annual meeting.

2.3 Special Meetings. Special meetings of the Members may be called at any time for the purpose of considering matters which require the approval of all or some of the Members, or for any other reasonable purpose. Such meetings may be called by written notice of the President of the Association upon the decision of the President, or pursuant to a written request signed by a majority of the Board, or by written request by Members cumulatively holding at least thirty-three percent (33%) of the total Percentage Interest, which notice shall be delivered according to Section 2.4 below. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

2.4 Notice of Meetings. The Board may provide Members notice of each meeting either via U.S. mail or via certain electronic methods as specifically set forth under this Section 2.4.

2.4.1 Contents of Notice. Each notice shall include the following information: (a) The place, day and hour of the meeting; (b) A description of any matter or matters that must be approved by the Members at such meeting; and (c) In the case of a special meeting, the purpose of such meeting.

2.4.2 Mailed Notice. If notice of any meeting is delivered via mail, such notice shall be mailed via the United States Postal Service, postage prepaid, no less than thirty (30) calendar days but no more than sixty (60) calendar days before such meeting to each Member entitled to vote at such meeting. Such mailed notice shall be deemed as delivered when deposited in the U.S. mail addressed to the Member at the Member's registered address, with first-class postage thereon prepaid. Each Member shall register with the Association such Member's current mailing address for purposes of notice hereunder. Such registered address may be changed from time to time by notice in writing to the Association. If no address is registered with the Association, a Member's Lot and/or Dwelling address shall be deemed to be that Member's registered address for purposes of notice in this Subsection 2.4.2.

2.4.3 Electronic Notice. Notice of any meeting may be delivered to Members via email or the Association's website. However, any Member may, by written demand, require that the Association provide notice to such Member via U.S. mail only.

2.5 Members of Record.

The Members of the Association shall be the fee owners of the Lots, including any Mortgagee, trustee or beneficiary under a deed of trust who acquires title pursuant to any remedy under the mortgage or deed of trust, or any proceeding or procedure in lieu thereof. The Board shall maintain a current list of Members which shall be updated on a regular basis. Disputes regarding the true and actual list of Members shall be resolved by reference to the Official Records of the Recorder's Office.

2.6 Voting Rights. The total collective voting power of the Owners shall be Thirty-Seven (37) votes. The Owner(s) of any one Lot shall be entitled to one (1) vote. If there is more than one Owner with respect to a particular Lot, any or all of such Owners may attend any meeting of the Association, but it shall be necessary for all Owners of the same Lot to act unanimously in order to cast the votes pertaining to their Lot. The Association's policies and procedures regarding voting, including voting representatives, joint Owner disputes, pledged votes, mail-in ballots, and electronic ballots shall be as set forth under Section 3.3 of the Declaration.

The Board shall be entitled to cast a vote on behalf of any Lot which has been acquired by or on behalf of the Association. Any such vote must be cast on behalf of such Lot consistent with a majority vote of the Board. The Board shall not be entitled to cast a vote with regard to any election of Board members on behalf of any Lot which has been acquired by or on behalf of the Association.

2.7 Proxies, Absentee Ballots and Rights of Mortgagees.

2.7.1 Proxies. All votes may be cast either in person or by proxy. All proxies shall be in writing. Proxies for the annual meeting shall be delivered to the Secretary no later than five (5) days prior thereto. Proxies for special meetings of the Association must be of record with the Secretary no later than two (2) days prior to such meeting. No proxy shall be valid after the meeting for which it was solicited (but a proxy shall be valid for any vote regarding adjournment

of the meeting for which it was solicited), unless otherwise expressly stated in the proxy; however, no proxy may be valid for more than eleven (11) months after the date of execution. No proxy shall be valid if it purports to be revocable without notice. A Member may not revoke a proxy given except by actual notice of revocation to the person presiding over a meeting of the Association, or to the Board if a vote is being conducted by written ballot in lieu of a meeting pursuant to Section 2.14 below. Any proxy associated with a particular Lot shall automatically cease upon sale of such Lot. A proxy must be for the entire voting right of a Lot with no divisions accepted.

2.7.2 Absentee Ballots. Any vote may be cast by absentee ballot.

2.7.3 Mortgagee Rights. An Owner may pledge or assign the Owner's voting rights to a Mortgagee. In such a case, the Mortgagee or its designated representative shall be entitled to receive all notices to which the Owner is entitled hereunder and to exercise the Owner's voting rights from and after the time that the Mortgagee shall have given written notice of the pledge or assignment to the Board. Any first Mortgagee may designate a representative to attend all or any meetings of the Association.

2.8 Fiduciaries and Joint Owners.

(a) Fiduciaries. An executor, administrator, guardian, or trustee may vote in person or by proxy at any meeting of the Association with respect to any Lot owned or held in such capacity, whether or not the same shall have been transferred to his or her name; provided, that the person shall satisfy the Secretary that he or she is the executor, administrator, guardian, or trustee holding the Lot in such capacity.

(b) Joint Owners. Whenever any Lot is owned by two or more persons jointly, according to the records of the Association, the vote of the Lot may be exercised by any one of the Owners then present, in the absence of protest by a co-owner. In the event of a protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of the Lot shall be disregarded completely in determining the proportion of votes given with respect to the matter.

2.9 Quorum of Members.

(a) At any annual, regular or special meeting of the Members for which proper notice has been given to all Members as required under these Bylaws and/or the Utah Nonprofit Corporation Act, the Members that are present and represented for any purpose at such meeting shall constitute a quorum.

(b) The subsequent ratification by a Member of the action taken at a meeting shall constitute the presence of that person for the purpose of determining a quorum. Once a quorum is present to organize a meeting it cannot be broken by the subsequent withdrawal of a Member or Members.

2.10 Binding Vote. When a quorum, as provided herein, is present at any meeting, the vote of Owners representing more than fifty percent (50%) of the Percentage Interest present in person or represented by proxy, shall decide any question of business brought before such meeting including, without limitation, the election of the Board, unless the question is one upon which the Utah Revised Nonprofit Corporation Act, the Declaration, the Articles or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

2.11 Waiver of Irregularities. All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting, form of proxies and the method of ascertaining Members present shall be deemed waived if no objection is made either at the meeting or within thirty (30) calendar days of the date of the meeting.

2.12 Order of Business. The order of business at annual meetings of the Association shall be according to the order established by the President, and by way of example, may include the following: (a) Calling of the roll and certifying of proxies; (b) Proof of notice of meeting or waiver of notice; (c) Reading of minutes of preceding meeting; (d) Reports of officers; (e) Reports of committees, if any; (f) Election of Board members; (g) Unfinished business; (h) New business; and (i) Adjournment.

2.13 Meeting Procedure. Meetings shall be conducted according to appropriate parliamentary procedure pursuant to rules of order as adopted by a resolution that has been approved by a majority vote of the Board. A decision of the Association may not be challenged because the appropriate rules of order were not used. When a dispute arises as to conduct of meetings of Members, the Association agrees to follow rules of order as established in the latest edition of "Robert's Rules of Order."

2.14 Action by Written Ballot in Lieu of a Meeting.

2.14.1 Action by Written Ballot. At the discretion of the Board, any action, except removal of Board members, that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Member that is entitled to vote on the matter not less than fifteen (15) calendar days prior to the date on which the ballots must be received by the Association in order to be counted.

2.14.2 Form and Effect of Ballot. The written ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action. Any Member who has the right to vote at an annual meeting, but cannot personally attend such meeting, shall be permitted to submit his or her vote via facsimile copy or a scanned and emailed PDF copy of that Member's ballot. Once a written ballot has been submitted (whether in-person, or via facsimile or scanned and emailed PDF) such ballot may not be revoked or withdrawn.

2.14.3 Information Required in Ballot Solicitations. All solicitations for votes by written ballot must:

- (1) State the number of responses needed to meet any applicable quorum requirements and the total percentage of votes needed for approval.

(2) Specify the period during which the Association will accept written ballots for counting, which period shall end on the earliest of the following unless the vote is pursuant to the secrecy procedure described in Subsection 2.14.4: (a) The date on which the Association has received a sufficient number of approving ballots to pass the proposal; (b) The date on which the Association has received a sufficient number of disapproving ballots to render the proposal impossible of passage; or (c) A date certain on which all ballots must be returned to be counted.

2.14.4 Secrecy Procedure. The Board may elect to conduct a vote pursuant to this Subsection by a secrecy procedure whereby a written ballot is accompanied by: (1) A secrecy envelope; (2) A return identification envelope to be signed by the Member; and (3) Instructions for marking and returning the ballot.

2.14.5 Determination of Vote. The outcome of a vote by written ballot in lieu of a meeting shall be determined by the Board within seventy-two (72) hours of the deadline for return of ballots, or in the event the ballot return date is postponed, within forty-eight (48) hours of the postponed date. Matters that may be voted on by written ballot shall be deemed approved or rejected as follows:

(1) If approval of a proposed action would otherwise require a meeting at which a certain quorum must be present and at which a certain percentage of total votes cast is required to authorize the action, the proposal will be deemed as approved when the date for return of ballots has passed, a quorum of Members has voted and the required percentage of approving votes has been received. Otherwise, the proposal shall be deemed to be rejected.

(2) If approval of a proposed action otherwise would require a meeting at which a specified percentage of Members must authorize the action, the proposal shall be deemed to be approved when the percentage of total votes cast in favor of the proposal equals or exceeds such required percentage. The proposal shall be deemed to be rejected when the votes cast in opposition renders approval impossible or when both the date for return of ballots has passed and such required percentage has not been met.

(3) Except as provided in Subsection 2.14.5(4), votes may be counted from time to time before the final return date to determine whether the proposal has passed or failed by the votes already cast on the date they are entered.

(4) Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

2.14.6 Member Notification of Ballot Results. The Board shall notify each Member within fifteen (15) calendar days after the ballots have been counted, by mail, e-mail or via the Association's website, of the results of the ballot meeting, or that a quorum of ballots was not returned.

ARTICLE 3
BOARD OF DIRECTORS – NOMINATION, ELECTION, TERM OF OFFICE

3.1 Number and Qualifications.

(a) The affairs of the Association shall be governed by a Board of Directors composed of three (3) Directors. The term of office shall be two (2) calendar years, and the expiration of such terms shall, to the extent practical or possible, be offset or staggered such that the normal number of vacancies in any given calendar year will not be a majority of the positions on the Board.

(b) No Board member shall be required to be an Owner or the co-owner of a Lot. However, multiple Owners of the same Lot may not serve as Board members simultaneously. An officer or employee of a corporation, a partner of a partnership, a trustee of a trust, a personal representative of an estate or an employee of a trust or estate, may serve on the Board if the corporation, partnership, trust or estate owns a Lot.

3.2 Nomination. Beginning with the first annual meeting and at every annual meeting thereafter, the Association shall elect the members of the Board for the forthcoming year. No later than thirty (30) days prior to any annual meeting of the Association, the Board shall select from the Owners a nominating committee of not less than three (3) members (none of whom shall be members of the then Board) who shall recommend to the annual meeting one nominee for each position on the Board to be filled at that particular annual meeting. Nominations for positions on the Board may also be made by petition filed with the Secretary of the Association no later than seven (7) days prior to the annual meeting of the Association, which petition shall be signed by ten (10) or more Owners and signed by the nominee named therein indicating his or her willingness to serve as a member of the Board if elected.

3.3 Election. At the election for Directors, the Owners or their proxies shall cast one (1) vote towards the entire list of Director nominees. If just one Director position must be filled, the nominated Owner receiving the largest amount of votes (with each Owner's vote being given the same weight as that Owner's Percentage Interest) shall be elected. If two (or more) Director positions must be filled, then the two (or more) nominees receiving the largest amount of votes shall be elected. The results of each Director election shall be posted at the Association's clubhouse and on the Association's website.

3.4 Vacancies. Vacancies on the Board, caused by any reason other than the removal of a Board member by a vote of the Association, shall be filled for the balance of the term of each Board membership by vote of a simple majority of the remaining Board members even though they may constitute less than a quorum. If the remaining Board members are unable to achieve a simple majority to fill a vacancy of the Board, that Board vacancy shall be filled by a vote of all Owners pursuant to the Association's process for electing Directors. Each person so elected to fill a vacancy of the Board shall complete the term of the vacated Board position.

3.5 Removal of Board Members.

(a) At any annual or special meeting, other than a meeting by written ballot conducted pursuant to Section 2.14 above, any one or more of the Board members, other than interim Board members, may be removed, with or without cause, by a majority of the Owners present in person or by proxy, at a duly constituted meeting. A successor may be elected at that meeting to fill the vacancy thus created. The notice of the meeting must state that the removal is to be considered and any Board member whose removal has been proposed by the Owners may be given an opportunity to be heard at the meeting.

(b) The Board may remove a member of the Board for cause by the vote of a majority of all Board members then in office. Reasons for removal for cause include: delinquency in Assessment payments for sixty (60) calendar days or more; suing, or being sued by the Association or the Board or any members of the Board or of the Association; and absence from three (3) consecutive regular meetings of the Board. The vacancy shall be filled as provided in Section 3.4 of these Bylaws.

3.6 Compensation. No Board member shall receive compensation for any service he or she may render to the Association as a Board member or officer. However (A) any member of the Board may be reimbursed for reasonable actual expenses incurred in the performance of his or her duties, and (B) any member of the Board may be employed by the Association in another capacity and receive compensation for such employment.

No entity or person (including any Board member) may be hired as an employee or retained as an independent contractor or otherwise receive any compensation for services provided to the Association unless expressly approved by a majority of the Owners which approval may be obtained only after all Owners have been provided with notice of such matter consistent with requirements of any meeting or any action by written ballot in lieu of a meeting as provided under these Bylaws.

3.7 Action Taken Without A Meeting. The Board members shall have the right to take any action in the absence of a meeting which they could take a regular or special meeting by obtaining the written approval of all the Board members in accordance with U.C.A. §16-6a-813, as amended from time to time. Any action so approved shall have the same effect as though taken at a meeting of the Board members.

ARTICLE 4 MEETINGS OF THE BOARD OF DIRECTORS

4.1 Organizational Meeting.

(a) Location, Date and Time. The first meeting of a newly-elected Board shall be held within fourteen (14) calendar days of election at such place, date and time as shall be fixed by the Board members at the meeting at which the Board members were elected. Notice of such first meeting shall be given to each member of the newly-elected Board.

(b) Procedure and Business. Until the election of new officers, the meeting shall be chaired by the outgoing President, or in the absence of such person, the outgoing Secretary, regardless of whether the outgoing President or Secretary is as member of the newly constituted board. At the organizational meeting, the Board shall elect officers in accordance with Section 6.2 below and may conduct any other Association business.

4.2 Regular Meetings. The meetings of the Board shall be held at regular intervals at such time and at such places as the Board shall determine. Two (2) members of the Board shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Board. The Board shall annually elect all of the officers of the Association. A regular meeting of the Board shall be held immediately after the adjournment of each annual owners meeting, at which time the Board shall elect all of the officers of the Association. Regular meetings of the Board may be held without call or notice.

4.3 Special Meetings. Special meetings of the Board may be called by the President or by any two Board members. The person or persons calling a special meeting of the Board shall, no later than seven (7) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called; if an agenda is prepared for such meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

4.4 Meetings.

All meetings of the Board shall be open to Owners. An Owner may participate in discussions regarding a particular matter on the Board's agenda during the portion of the meeting designated for such discussion. The Board shall have the authority to exclude from a Board meeting any Owner who disrupts the proceedings of the meeting.

4.5 Meetings by Telephonic or Electronic Communication. In the event of an emergency, or by decision of the Board, meetings of the Board may be conducted by communication or by the use of a means of communication that allows all members of the Board participating to hear each other simultaneously or otherwise to be able to communicate during the meeting.

4.6 Waiver of Notice. Any Board member may, at anytime, waive notice of any meeting of the Board in writing, and the waiver shall be deemed equivalent to the giving of the notice. Attendance by a Board member at any meeting of the Board shall constitute a waiver of notice by the Board member, except where the Board member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all Board members are present at any meeting of the Board, no notice to Board members shall be required and any business may be transacted at the meeting.

This Section 4.6 is intended to be consistent with the requirements of Section 16-6a-815 of the Utah Nonprofit Corporation Act. In the event Section 16-6a-815, as may be periodically amended, provides "waiver of notice" requirements that in any way differ from those contained in this Section 5.7, then the requirements of Section 16-6a-815 shall control.

4.7 Quorum and Acts. At all meetings of the Board a majority of the existing Board members shall constitute a quorum for the transaction of business and the acts of the majority of the Board members present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. Any unfinished business upon such adjournment of a Board meeting may only be transacted at a subsequent regular or special meeting of the Board that has been properly held by giving notice and conducting such meeting as required by these Bylaws.

ARTICLE 5 POWERS, RIGHTS, AND DUTIES OF THE BOARD

5.1 General Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, the Declaration or by these Bylaws directed to be exercised and done by the Owners.

5.2 Specific Powers. In addition to powers authorized by the Declaration, these Bylaws or by resolution of the Association, the Utah Revised Nonprofit Corporation Act or other applicable law, and subject to Section 5.3 of these Bylaws, the Board shall have the power to:

(a) Adopt and publish rules and regulations governing the use of Common Areas, including any improvements, facilities and amenities located thereon, and the personal conduct of the Owners and their tenants or guests thereon, and to establish penalties for the infraction thereof.

(b) Suspend the voting rights and right to use of any recreational facilities located on any Common Area by any Owner member during any period in which such Owner shall be in default in the payment of any Assessment levied by the Association.

(c) Engage the services of a Manager or managing company, accountants, attorneys or other professionals, employees or agents and to pay to said persons a reasonable compensation therefore.

(d) Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board.

(e) Supervise all officers, agents, Managers and employees of the Association, and to see that their duties are properly performed.

(f) Operate, maintain, repair, improve and replace the Common Areas.

(g) Determine and pay the Common Expenses.

(h) Assess and collect the proportionate share of Common Expenses from the Owners.

(i) Enter into contracts, deeds, leases or other written instruments or document for and in behalf of the Association and to authorize the execution and delivery thereof by the appropriate officers.

(j) Open bank accounts on behalf of the Association and designate the signatures for such bank accounts pursuant to a resolution adopted by the Board.

(k) Purchase, hold, sell, convey, mortgage or lease any interest in real property for and in behalf of the Association subject to the restrictions, limitations and provisions of the Declaration, so long as the Board has obtained the prior written approval of at least two-thirds (2/3) of the first Mortgagees.

(l) Bring, prosecute and settle litigation for itself, the Association and Property, provided it shall make no settlement which results in a liability against the Board, the Association, or the Project in excess of \$5,000 without prior written approval of a Majority of the Owners.

(m) Obtain insurance for the Association with respect to the Common Areas and Common Improvements, as well as Worker's Compensation Insurance.

(n) Appoint and/or remove members of the Design Review Board.

(o) Repair or restore the Project (or any portion of the Project) following damage or destruction, or a permanent taking by the power of, or power in the nature of, eminent domain or by an action or deed in lieu of condemnation, not resulting in the removal of the Project from the provisions of the Acts.

(p) Purchase or lease, and sell or otherwise acquire or dispose of, on behalf of the Association, items of personal property necessary to convenient in management of the business and affairs of the Association and the Board and in the operation of the Project, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances and office supplies.

(q) Keep adequate books and financial records so that the Board can reasonably and regularly assess the financial status and strength of the Project. Such books and records may include, by example and without limitation, financial reports normally presented by the Manager to the Board, such as budget-to-actual reports for each fiscal quarter and fiscal year, quarterly reports of Owners who are delinquent in their payment of Assessments or any Additional Charges, fiscal quarterly and fiscal annual statements of Association's bank account balances, Association reserves reports, and Special Assessment reports (as applicable), and any other relevant financial reports.

(r) Borrow funds and enter into promissory notes, provided that any such action has been approved in writing by a Majority of the Owners.

(s) Sell portions of the Common Areas, provided that any such action has been approved in writing by at least seventy-five percent (75%) of the Owners.

(t) Maintain a corporate seal.

(u) Approve and sign checks and issue payment vouchers.

(v) Pay off or otherwise satisfy any liens against any portion of the Project.

(w) Do all other acts necessary for the operation and maintenance of the Property, including the maintenance and repair of any Lot and/or Dwelling if the same is necessary to protect or preserve the Project.

5.3 Ratifications of Actions. The Members may, but are not required to, ratify actions of the officers subsequent thereto and thereby give full force and effect to such actions as though approved in advance.

5.4 Requirements Regarding Association Contracts.

(a) Minimum Required Bids. The Board shall not execute any contract or agreement on behalf of the Association (i) for any goods or services that exceed \$5,000 or (ii) that has a term of more than one year, unless the Association has first made a reasonable attempt to obtain at least two (2) bids from vendors or contractors qualified to provide such goods or services. The requirements of this Subsection 5.4(a) shall not apply if the Association is unable to identify or locate more than one (1) such qualified vendor or contractor that is able or willing to provide the goods or services being sought.

(b) Minimum Required Signatures. No member of the Board of Directors (including the President or Vice-President) may unilaterally obligate or bind the Board or the Association regarding the acknowledgement of, performance of, or payment under any contract, agreement or any other document whatsoever. Any such contract, agreement or document must be signed by at least two (2) members of the Board of Directors.

5.5 Special Committees. The Board by resolution adopted by a majority of the members of the Board may designate one or more special committees, each committee to consist of two (2) entities or persons who may or may not be Owners which, to the extent provided in said resolution, shall advise and make recommendations to the Board regarding the matters set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Board. Such special committees shall keep regular minutes of their proceedings and report the same to the Board when required. The members of such special committee or committees designated shall be appointed by the Board or the President. The Board or the President may appoint entities or individuals to fill vacancies on each of said special committees occasioned by death, resignation, removal or inability to act for any extended period of time.

ARTICLE 6 OFFICERS AND THEIR DUTIES

6.1 Designation and Qualification.

(a) Designation. The officers of the Association shall include a President, Secretary and a Treasurer. The Board members may also designate the office of Vice-President, Assistant Treasurer and Assistant Secretary.

(b) Qualifications. The President, Vice-President (if any), Secretary and Treasurer shall each be a member of the Board, but any other officers need not be Board members. Any Board member may be an officer of the Association.

(c) Multiple Offices. Any member of the Board may hold any two offices (officer titles), but may not hold any more than two such offices.

(d) Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

6.2 Election and Vacancies. The officers of the Association may be elected by the Board at the organizational meeting of each new Board held in accordance with Section 4.1 above or any Board meeting thereafter to serve until their respective successors are elected at the next organizational meeting. If any office becomes vacant by reason of death, resignation, removal, disqualification or any other cause, the Board shall elect a successor to fill the unexpired term at any meeting of the Board.

6.3 Resignation. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. The resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

6.4 Removal of Officers. Officers shall hold office at the pleasure of the Board. Upon an affirmative vote of a majority of the members of the Board any officer may be removed, either with or without cause.

6.5 Compensation of Officers. No officer who is a member of the Board may receive any compensation from the Association for acting as an officer, unless the compensation is authorized by a vote of a Majority of the Owners. The Board may fix any compensation to be paid to any officers who are not also Board members.

6.6 Duties of Officers. The duties of the officers are as follows:

(a) President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board. The President shall have all of the general powers and duties which are usually vested in the office of President of an association.

(b) Vice-President. The Vice-President (if any) shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

(c) Secretary. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association, have charge of such books and papers as the Board may direct, and in general, perform all of the duties normally incident to the office of Secretary.

(d) Treasurer. The Treasurer shall have responsibility for the Association's funds and securities not otherwise held by the Manager, and shall be responsible for causing full and accurate accounts of all receipts and disbursements to be kept in books belonging to the Association. The Treasurer shall be responsible for causing the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may, from time to time, be designated by the Board and disbursing funds as directed by resolution of the Board.

ARTICLE 7

LIABILITY AND INDEMNIFICATION OF OFFICERS AND BOARD MEMBERS

Members of the Board, the officers and any agents of the Association (i) shall not be liable to the Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own malicious, willful, or intentional misconduct; (ii) shall have no personal liability in contract to a Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (iii) shall have no personal liability in tort to any Owner or any person or entity, direct or imputed, by virtue of acts performed by them, or acts performed for them in their capacity as such; and (iv) shall have no personal liability arising out of the use, misuse or condition of the Project, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

The Owners shall indemnify and hold harmless, any person, including his or her heirs and personal representatives, from and against all personal liability and all expenses including legal counsel fees, incurred, or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative instituted by any one or more Owners, or any other person or entities, to which he or she may be threatened to be made a part by reason of the fact that he or she is or was a member of the Board or an officer or assistant officer of the Association, other than to the extent, if any, that such liability or expense shall be attributable to his or her malicious, willful, or intentional misconduct, provided, in the case of any settlement, that the Board shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Owners or of the Board or otherwise. The indemnification by the Owners as contained herein shall be paid by the Board on behalf of the Owners and shall constitute a Common Expense and shall be assessed and collectible as such.

ARTICLE 8

RECORDS AND AUDITS

The Association shall maintain within the State of Utah, all documents, information and other records of the Association in accordance with the Declaration, these Bylaws and the Utah Revised Nonprofit Corporation Act in the manner prescribed by a resolution adopted by the Board.

8.1 General Records.

(a) The Board or Manager, if any, shall keep records of the actions of the Board and Manager; minutes of the meetings of the Board; and minutes of the meeting of the Association.

(b) The Board or Manager, if any, shall maintain records containing the rules, regulations, and policies adopted by the Association and Board.

(c) The Board or Manager, if any, shall maintain a list of Owners. The list of Owners may specify whether or not the Owner is an Owner in good standing.

(d) The Association shall retain within the State of Utah all records of the Association for not less than the period of time specified and required under applicable law.

8.2 Records of Receipts and Expenditures. The Board or Manager, if any, shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Project, itemizing the maintenance and repair expenses of the Common Areas or Association property and any other expenses incurred.

8.4 Inspection of Records by Owners.

(a) Except as otherwise provided in Section 8.5 below, all records of the Association shall be reasonably available for examination by an Owner and any Mortgagee of a Lot and/or Dwelling pursuant to rules adopted by resolution of the Board or if no such resolution has been adopted, pursuant to the Utah Revised Nonprofit Corporation Act.

(b) The Board shall maintain a copy, suitable for the purposes of duplication, of the following: (1) the Declaration, Bylaws and any amendments in effect or supplements thereto, and Rules and Regulations of the Association; and (2) the current Annual Budget of the Association.

(c) The Association, within five (5) business days after receipt of a written request by an Owner, shall furnish the requested information required to be maintained under Subsection 8.4(b), subject to a reasonable fee for furnishing copies of any documents, information or records described in this Section 8.4. The fee may include reasonable personnel costs incurred to furnish the information.

(d) The Board, by resolution, may adopt reasonable rules governing the frequency, time, location, notice and manner of examination and duplication of Association records and the imposition of a reasonable fee for furnishing copies of any documents, information or records described in this Section 8.4. The fee may include reasonable personnel costs incurred to furnish the information.

8.5 Records Not Subject to Inspection. Records kept by or on behalf of the Association may be withheld from examination and duplication to the extent the records concern:

(a) Personnel matters relating to a specific identified person or a person's medical records.

(b) Contracts, leases and other business transactions that are currently under negotiation to purchase or provide goods or services.

(c) Communications with legal counsel that relate to matters specified in Subsections (a) and (b) of this Section 8.5, and any other communications with legal counsel that are protected by any privilege, including the attorney client privilege.

(d) Disclosure of information in violation of law.

(e) Documents, correspondence or management or Board reports compiled for or on behalf of the Association or the Board by its agents or committees for consideration by the Board in accordance with these Bylaws.

(f) Documents, correspondence or other matters considered by the Board in accordance with these Bylaws.

(g) Files of individual Owners, other than those of a requesting Owner or requesting Mortgagee of an individual Owner, including any individual Owner's file kept by or on behalf of the Association.

8.6 Notice of Sale or Mortgage. Immediately upon the sale or Mortgage of any Lot and/or Dwelling, the Owner shall promptly inform the Secretary or Manager of the name and address of the purchaser, vendee or Mortgagee.

ARTICLE 9 AMENDMENTS

9.1 Adoption. Amendments to these Bylaws may be approved by the Association at a duly constituted meeting or meeting by written ballot in lieu of a meeting conducted pursuant to these Bylaws. Approval by at least sixty-seven percent (67%) of the total Percentage Interest of those votes that are actually cast is required for any amendment to be adopted. The approval of sixty-seven percent (67%) of the total Percentage Interest of all Owners shall be required for any amendment or change to the material provisions of the Bylaws pertaining to voting rights.

9.2 Execution and Recording. An amendment shall not be effective until certified by the President and Secretary of the Association as being adopted in accordance with these Bylaws, acknowledged and recorded with the Recorder's Office.

9.3 Challenge to Validity. No action to challenge the validity of an adopted amendment may be brought more than one (1) calendar year after the amendment is recorded.

ARTICLE 10 LITIGATION

10.1 Action Brought on Behalf of the Association.

If any action is brought by one or more but less than all Owners on behalf of the Association and any form of recovery is achieved, the plaintiffs' expenses, including reasonable court costs and legal counsel fees, shall be a Common Expense; provided, however, that if such action is brought against the Owners or against the Board, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Owners, the plaintiffs' expenses, including court costs and legal counsel fees, shall not be charged to or borne by the other Owners, as a Common Expense or otherwise.

10.2 Complaints Brought Against the Association, Board, or Officers.

Complaints brought against the Association, the Board or other officers, employees or agents thereof, in their respective capacities as such or the Project as a whole, shall be directed to the Board, which shall promptly give written notice thereof to the Owners and any Eligible Mortgagees and shall be reasonably defended by the Board, and the Owners and all Mortgagees shall have no right to participate other than through the Board in such defense. Complaints against one or more, but less than all Owners, shall be directed to such Owners, who shall promptly give written notice thereof to the Board and to the Eligible Mortgagees having an interest in such Lots, and shall be defended by the Owners of such Lots.

ARTICLE 11 MISCELLANEOUS

11.1 Notices.

(a) Association. All notices to the Association or the Board shall be sent care of the Manager or, if there is no Manager, to the principal office of the Association or to such other address as the Board may hereafter designate from time to time.

(b) Owners.

(1) Except as otherwise provided in the Declaration, these Bylaws or law, all notices to any Owner shall be sent via first class U.S. mail to such address as may have been designated by him or her, from time to time, in writing to the Board, or if no address has been designated, then to the Owner's mailing address on file with the Weber County Assessor's Office for that Owner's Lot and/or Dwelling.

(2) If a Lot and/or Dwelling is jointly owned or the Lot and/or Dwelling has been sold under a land sale contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. If no address has been given to the Secretary in writing, then to the mailing address on file with the Weber County Assessor's Office for that Lot and/or Dwelling.

11.2 Waiver, Precedent and Estoppel. No restriction, condition, obligation, or provision contained in these Bylaws or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Association by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur and any failure to enforce the same shall not be deemed to constitute precedent or estoppel impairing the right of the Association as to any similar matter.

11.3 Invalidity; Number; Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

11.4 Fiscal Year. The fiscal year of the Association shall be determined by the Board in its discretion.

11.5 Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

IN WITNESS WHEREOF, the Association has caused these Bylaws to be executed by its duly authorized officers on this ____ day of _____, 2014.

FAIRWAY OAKS HOME OWNERS ASSOCIATION, INC.,
a Utah domestic nonprofit corporation

By: _____
Name: Clifford J. Ulrich
Title: President

By: _____
Name: Toni Powell
Title: Secretary

By: _____
Name: Alan Elliott
Title: Director

By: _____
Name: David Schwartz
Title: Director