

-- DRAFT DOCUMENT - FOR REVIEW PURPOSES ONLY --



BYLAWS OF THE SUMMIT PARK HOMEOWNERS ASSOCIATION
Summit Park Subdivision, Summit County, Utah

Approved and Adopted by the Summit Park Homeowners Association [XXXX 20XX]



TABLE OF CONTENTS

ARTICLE 1. GENERAL PROVISIONS 1
1.1 Definitions 1
1.2 Name and Location 1
1.3 Purpose of the Bylaws of the SPHOA 1
1.4 Updates and Amendments 2
1.5 Interpretation and Conflict 2
ARTICLE 2. SPHOA MEMBERSHIP AND DUES 2
2.1 Membership Eligibility 2
2.2 SPHOA Resignation or Termination 3
2.3 SPHOA Reinstatement 3
2.4 Annual Dues 4
ARTICLE 3. VOTING 5
3.1 Voter Eligibility 5
3.2 Board Voting by Quorum 5
3.3 SPHOA Membership Voting by Quorum 6
3.4 Voting Procedure 6
3.5 Voting Technique 6
ARTICLE 4. BOARD MEMBERS AND OFFICERS OF THE SPHOA 7
4.1 Management Assignment of the SPHOA 7
4.2 Responsibilities of the Board 7
4.3 Board Member and Officer Positions 7
4.4 Board Member and Officer Compensation 7
4.5 Election of Board Members and Officers 8
4.6 Term Commitment of Office Board Members and Officers 8
4.7 Vacancies and Removal of Board Members and Officers 8
4.8 Contractual and Loan Authority of Board Members and Officers 8
ARTICLE 5. SPHOA MEETINGS 9
5.1 Board and General Membership Meetings 9
5.2 Notice and Cancellation of a General Membership Meeting 9
5.3 General Annual Membership Meeting 10
5.4 Special Meeting 10
5.5 Actions Taken by the Board Without a Public Meeting 10
5.6 Remote Communications 11
ARTICLE 6. SPHOA COMMITTEES 11
6.1 Authorization 11
6.2 Standing Committee – The Architectural Review Committee 11
6.3 Ad Hoc Committees 11
ARTICLE 7. FINANCES 11
7.1 Financial Controls 11
7.2 Financial Reporting 12
7.3 Outstanding Financial Obligation(s) Owed the SPHOA 12
ARTICLE 8. ACTIONS, LEGAL LIABILITIES, AND INSURANCE 12
8.1 Legal Actions and Precedence 12
8.2 Legal Actions and Disputes 12
8.3 Indemnification 13
8.4 Insurance 13
ARTICLE 9. DISSOLUTION OF THE SPHOA 13
9.1 Authorization 13



BYLAWS OF THE SUMMIT PARK HOMEOWNERS ASSOCIATION Summit Park Subdivision, Summit County, Utah

Approved and Adopted by the Summit Park Homeowners Association [XXXX 20XX]

The corporate bylaws (the “**Bylaws**”) of the Summit Park Homeowners Association (the “**SPHOA**”) documents the authoritative and governance structure of the **SPHOA**. These bylaws are designed to comply with applicable state statutes, primarily those codified under 1) the *Utah Revised Nonprofit Corporation Act* (Utah Code Title 16, Chapter 6a, or equivalent), which regulates the operation of nonprofit-designated corporations, and 2) the *Utah Community Association Act* (Utah Code Title 57, Chapter 8a, or equivalent), which regulates various aspects of homeowners associations domiciled in Utah. A copy of the current **SPHOA Bylaws** is recorded and on file at the Summit County Recorder’s office.

The Summit Park Homeowners Association Corporation is legally operated as a nonprofit organization. Because of that, the **SPHOA** shall not, except in an inconsequential degree, participate or engage in any activity which are not permitted to be carried out by nonprofit organizations.

The **Bylaws** documented herein supersede all prior **SPHOA** enacted constitution, bylaws, and any associated amendments to those documents previously approved by the **SPHOA**. These **Bylaws** shall remain in effect unless they are subsequently and formally revised or amended according to the stipulations provided herein.

ARTICLE 1. GENERAL PROVISIONS

1.1 Definitions

Those terms which are capitalized and appear in bold print have the specific meanings that are set forth in this document. Other terms that are not formally defined shall be interpreted to be aligned in meaning with those that are generally accepted and understood by similarly operated and run community nonprofit homeowners associations.

1.2 Name and Location

As documented in the **SPHOA’s** Articles of Incorporation, the legal name to which these **Bylaws** apply is the *Summit Park Homeowners Association*. The **SPHOA** is assigned State of Utah HOA registration number HOA084037934416. The principal mailing address of the **SPHOA** is Post Office Box 980754, Park City, UT 84098. The **SPHOA** can also be contacted via email at SummitParkUtah@gmail.com.

The **SPHOA** operates in the State of Utah, Summit County, and within the legal geographical confines of the Summit Park subdivision. The legal boundary of Summit Park, as well as all associated plats, parcels, lots, and any other legal land divisions designated and described within, are defined, recorded, and on file at the Summit County Recorder’s office. Legal descriptions and other relevant file information is obtainable through the Summit County Assessor’s office. Both the Summit County Recorder’s office and the Summit County Assessor’s office can be accessed at <https://www.SummitCounty.org>.

1.3 Purpose of the Bylaws of the SPHOA

The purpose of the **Bylaws** is to provide the framework under which the **SPHOA** is managed and operated. They include defining the roles and responsibilities of the **SPHOA’s** Board of Directions (the “**Board**”) and its officers (the “**Officers**”), whose primary authority is to manage the business affairs of the **SPHOA**.

These **Bylaws** should not be confused with the **SPHOA’s** *Neighborhood Code of Conduct*, also known as the *Covenants, Conditions & Restrictions* (the “**CC&Rs**”). The purpose of the **CC&Rs**, in contrast to the **Bylaws**, document the rights and obligations of the **SPHOA** to its members *and* the rights and obligations of its members to the **SPHOA**. Copies of the **SPHOA’s** **Bylaws** and **CC&Rs** can be found on the **SPHOA’s** website at



1.4 Updates and Amendments

On rare occasions, additional authoritative controls (referred to as “**Rules and Regulations**”) of the **SPHOA** may be enacted to address any identified issues within the approved **Bylaws** and/or the **CC&Rs**. Such **Rules and Regulations** most typically involve matters that the **Bylaws** and/or the **CC&Rs** do not address or need additional clarification, particularly due to changes in community member needs or regulatory, legal, or internal governance changes that arise from time-to-time and could potentially impact the current governance and operation of the **SPHOA**.

There are times when the **SPHOA**’s governing documents, which consist of its **Bylaws**, **CC&Rs**, and any associated **Rules and Regulations** need additional clarification, explanation, augmentation, or revision to better reflect how the **SPHOA** is currently being managed and operated. All **Bylaws**, **CC&Rs**, and any **Rules and Regulations** (collectively referred to as the **Governing Documents**) are therefore required to be periodically and formally reviewed to 1)ensure that they meet current requirements of applicable laws and regulations; 2) clarify any content that may be interpreted to be ambiguous or in need of additional clarification; and 3) to the extent possible, better support the direction and needs of the **SPHOA**’s eligible membership.

The **Board** therefore requires the **Governing Documents** be formally reviewed a minimum of once every five years, but sooner if the situation so dictates, from the time that they were last formally approved. The review shall be conducted by the **Board** or through legal counsel if requested by the **Board** to assist with this matter. The review process by the **Board** shall include a detailed assessment on the appropriateness of any proposed changes, as well as a review on the financial or legal criteria under which the **SPHOA** operates. All recommended changes shall be suitably vetted and duly considered by the **Board**, and those that are proven as acceptable shall be enacted by the **Board** and recorded as an amendment in the appropriate **Governing Document**, or if necessary, the appropriate document shall be revised to reflect the change(s). If no changes to any of the **Governing Documents** are recommended or needed, then the existing document(s) shall remain in effect. The **Board**’s meeting minutes must reflect that the **Governing Documents** have undergone such a review and the nature of any changes being made, as applicable; similarly, if no changes to any of the **Governing Documents** are made, that too must be reported in the **Board** meeting minutes.

The **Board** shall adopt such changes or amendments to the **Governing Documents** by a vote of approval utilizing Voting Procedure 2 (see Section 3.4, *Voting Procedure*) and recorded in the **Board** meeting minutes in which the approval vote took place. As applicable, all significant amendments to the **Bylaws** or the **CC&Rs** shall be registered with the State of Utah no later than 90 calendar days after the recoding of the amendment in the applicable document.

1.5 Interpretation and Conflict

In the event of a conflict between the **Bylaws** stated herein and applicable government regulations and statutes, the applicable and current government regulation(s) and statute(s) will be controlling. Following that, the order of resolution in case of any conflict shall be: 1) the Articles of Incorporation, 2) the **Bylaws**, 3) the **CC&Rs**, and finally, 4) any separate **Rules and Regulations** not otherwise established in other relevant corporate governance documents of the **SPHOA**.

ARTICLE 2. SPHOA MEMBERSHIP AND DUES

2.1 Membership Eligibility

Other than those that are not otherwise eligible for membership in the **SPHOA**, all current owners of property located within Summit Park, and who are current on paying annual **SPHOA** dues and have no outstanding debts to the **SPHOA**, are automatically provided membership in the **SPHOA**, with the following exceptions: 1)



Summit Park Homeowners Association

a property owner voluntarily chooses *not* to be a member of the **SPHOA**, or 2) an otherwise eligible member of the **SPHOA** has their membership formally terminated by the **Board** (see Section 2.2, *Resignation or Termination of SPHOA Membership*). In those cases where a property owner owns two or more lots within Summit Park, a single membership does not cover *all* properties owned by that single owner; that is, individual membership must be procured for each property that the is owned by the properties. For purposes of this section, a *property owner* is equivalent to an owner, multiple-named owners, or an otherwise designated legal entity of a single lot located within the designated boundaries of Summit Park.

2.2 SPHOA Resignation or Termination

Voluntary Resignation. A property owner may voluntarily elect *not* to be a member in the **SPHOA**. A property owner that terminates their membership in the **SPHOA** must do so by means of a written request (an email to the **SPHOA** would suffice) to the **SPHOA**. Oral requests will not be accepted as a means of notification. A property owner that elects to rescind their membership eligibility in the **SPHOA** will have no obligation in paying **SPHOA** dues in any subsequent year following written receipt by the **SPHOA** of the request for terminating their **SPHOA** eligibility. If the request is received during a year in which **SPHOA** dues were paid, the property owner will not be eligible for a partial refund of their dues payment for that year. Those that chose to voluntarily resign their association with the **SPHOA** shall not relieve the property owner of any prior outstanding financial or similar obligation(s) due the **SPHOA**, including any and all financial obligations to the **SPHOA** left accrued or unpaid prior to the effective resignation date. Nor will it relieve them of any obligations stipulated in the **CC&Rs**.

Termination. Active membership of the **SPHOA** may be either permanently or temporarily terminated by the **Board** in those rare instances where the existing eligible member is found to be frequently and flagrantly in noncompliance to specific conditions found in the **Bylaws** and/or the **CC&Rs**, and the result of their actions are considered egregious in a legal context and that their actions and/or behaviors are considered counter to the desires of the greater Summit Park community. Members that are subject to **SPHOA** termination by the **Board** shall be notified in writing as to the reason why their membership is being terminated. If the terminated member decides to contest the termination ruling, the individual shall be provided a reasonable timeframe in which to respond in writing back to the **Board** by addressing how they will rectify the reasons for the **Board's** decision for membership termination. Proposed and final **SPHOA** membership termination must undergo a vote of approval utilizing Voting Procedure 3 (see Section 3.4, *Voting Procedure*).

Those whose eligible membership in the **SPHOA** is terminated by the **Board** shall not, however, relieve the former eligible member of any prior outstanding financial or similar obligation(s) due the **SPHOA** prior to the effective date of the termination, including any and all financial obligations left accrued or unpaid. Nor will it relieve them of any obligations stipulated in the **CC&Rs**. The **Board** reserves the right to have termination of **SPHOA** membership evaluated by an outside legal professional to better gauge potential legal and financial ramifications of its decision to terminate membership in the **SPHOA**.

Consequence of Resignation or Termination. Upon resignation or termination of a property owner in the **SPHOA**, the person or entity relinquishes all voting privileges and shall no longer be eligible to participate in any **SPHOA** sponsored programs, events, or activities (or the use of any common areas in which the **SPHOA** may manage on behalf of its eligible members).

2.3 SPHOA Reinstatement

Reinstatement of a resigned or terminated property owners in the **SPHOA** may be considered for reinstatement by the **Board** once all outstanding financial or other obligations or requests are satisfactorily addressed by the individual or entity requesting reinstatement. Reinstatement will only be considered by the **Board** when the request is made in writing (an email to the **SPHOA** would suffice) to the **SPHOA**. Reinstatement will typically require payment of any back **SPHOA** dues, the itemized amount of which will be



Summit Park Homeowners Association

determined by the **Board** and conveyed to the property owner or entity requesting reinstatement. Membership reinstatement must be approved by undergoing a vote of approval utilizing Voting Procedure 3 (see Section 3.4, *Voting Procedure*).

2.4 Annual Dues

Unless otherwise established by the SPHOA's Board of Directors (the "**Board**") by Voting Procedure 3 (see Section 3.4, *Voting Procedure*), the annual dues paid to the **SPHOA** to maintain eligible membership and voting rights in the **SPHOA** is set at a nominal \$50.00 (fifty dollars) per eligible member per calendar year. Payment of the annual dues entitles all eligible member of the **SPHOA** to full membership privileges in which they are entitled, including participation in applicable community programs, events, or activities that the **SPHOA** sponsors. Non-payment shall negate an otherwise eligible member of the **SPHOA** from any and all participation in applicable community programs, events, or activities that the **SPHOA** sponsors until such time that that they are paid and any other outstanding debts with the **SPHOA** are paid in full.

In the event that membership contributions are unable to keep the **SPHOA** sufficiently capitalized and financially solvent to operate and carry out its designated functions, the **Board** reserves the right to adjust the annual **SPHOA** dues payments on either a temporary or permanent basis. If an annual **SPHOA** dues increase is necessary to maintain adequate liquidity levels of the **SPHOA** or to pursue an undertaking for the greater benefit of the Summit Park community, any increase in dues will not exceed 20 (twenty) percent of the set annual dues over a three-year period and can only occur once during that same time frame. If an increase is recommended by the **Board** that exceed those limits, the increase must undergo a vote of approval utilizing Voting Procedure 1 (see Section 3.4, *Voting Procedure*); otherwise, any change in the annual **SPHOA** dues owed by members of the **SPHOA** shall, after additional input by its eligible members is received and reviewed by the **Board**, undergo a vote of approval utilizing Voting Procedure 2 (see Section 3.4, *Voting Procedure*).

For those eligible members that fail to pay dues on an annual basis during a calendar year, the annual payment for skipped years shall be assessed an additional delinquency payment of \$10.00 (ten dollars) for each year in which dues were not paid to bring the member back to full **SPHOA** eligible membership status for which the member is entitled, which translates to a total of \$60.00 (sixty dollars) per calendar year where **SPHOA** dues were not paid (rather than \$50.00/year). The additional assessment of \$10.00/year is necessary to discourage having those members only pay in years where they desire to utilize a particular community program, event, or activity (for example, Dumpster Days) but otherwise do not contribute to other community **SPHOA**-sponsored programs, events, or activities that similarly benefit the greater Summit Park community, such as contributions towards various wildfire mitigation programs.

The **Board** additionally reserves the right to adjust member monetary reimbursement on particular **SPHOA**-sponsored programs, events, or activities if the member requesting reimbursement is neither a long-standing member of the **SPHOA** or has not contributed to the **SPHOA** over a period of time, which is generally considered to be three-or more years of membership. If the three-year minimum membership eligibility limit is not met, reimbursement expenses will be based on a pro rata basis for years one and two that were not previously paid.

Any change in the amount of the **SPHOA's** annual dues, whether temporary or permanent, shall be recorded as an amendment to the **CC&Rs**. Reasons for a change in the stipulated dues amount may include, but are not limited to, such matters as 1) the temporary funding for a community-wide project or undertaking where additional funds are needed to successfully complete (for example, the funding of a community-based playground), 2) an adjustment due to inflationary rise or a related change in economic conditions, or 3) the **SPHOA's** expenses are unable to keep up with real or expected costs required to effectively manage and operate the **SPHOA**. The projected budget to manage and operate the **SPHOA** shall be revised and publicly reported on an annual basis (see Article 7, *Finances*). Any temporarily-imposed dues increase to fund an **SPHOA**-approved undertaking may be imposed as a one-time fee adjustment or by spreading the cost over a



Summit Park Homeowners Association

specified period of time, as determined by the **Board**.

SPHOA dues, on rare occasions, may also be paid by donation of comparable products or services to the **SPHOA**. Such an action shall require a vote of approval utilizing Voting Procedure 3 (see Section 3.4, *Voting Procedure*), in lieu of a monetary **SPHOA** dues payment.

ARTICLE 3. VOTING

3.1 Voter Eligibility

Unless otherwise stated herein, all eligible members of the **SPHOA** are entitled to vote on matters where the **Bylaws** requires that a vote is necessary by its eligible members. Voting eligibility follows equivalent criteria as **SPHOA** membership eligibility (see Section 2.1, *Membership Eligibility*). For those that rent or lease property in Summit Park, or those that resigned their membership, or those whose **SPHOA** membership is terminated, are ineligible to vote on **SPHOA**-related matters that require membership voting. Each eligible member of the **SPHOA** shall have one vote each. In those cases where a property owner owns two or more lots within Summit Park and are eligible and active members of the **SPHOA** for each of property that they own, they are entitled to a single vote for each individual property that they own in Summit Park; for example, if an individual owns three lots in Summit Park, and are in good standing with the **SPHOA** for each of those lots, then they would be entitled to three votes.

3.2 Board Voting by Quorum

For purposes of these **Bylaws**, a *quorum* is the minimum number of **Board** members and/or eligible members of the **SPHOA** who must be present or otherwise represented at a meeting (or through other permitted means) to transact business in the name of the **SPHOA** and/or cast a vote in favor or against the matter being voted on. A quorum is reached when there is a minimum of four **Board** members present and available to vote on a matter in front of them.

If the **Board** meets quorum requirements, then the matter that is voted on can proceed to its logical conclusion. Where a conflict of interest exists among any of its **Board** members on the matter being voted on, those individuals are ineligible to vote on the matter. In cases where there is a tie, the **Board** Chair shall represent the deciding vote. In cases where the **Board** Chair is conflicted from voting, the **Board** Treasurer shall represent the deciding vote.

All **Board** meetings that do not meet **Board** quorum requirements; that is, where three or less eligible **Board** members are available, then official **Board** decisions on behalf of the **SPHOA** cannot be made. Any **SPHOA** meeting that does not have a quorum of eligible **Board** members present can still be conducted; however, no decisions before the **Board** can be made other than certain procedural actions. When a quorum of eligible **Board** members is not met, then all business before the **Board** shall be postponed until such time that a quorum of **Board** members are present or available (and thereby avoiding those instances whereby opponents to a proposal or action before the **Board** can effectively block an action before the **Board** by walking out or by not attending the meeting).

The use of delegated or assigned proxies in place of eligible **Board** members is not permitted; that is, eligible **Board** members cannot send someone else in their place to attend a **Board** meeting or vote on matters in which they are otherwise entitled to vote. Furthermore, a proxy is not allowed even when power-of-attorney authorization is established.

A quorum of **Board** members can still be established when there exists any vacant seats on the **Board**. In such cases where the maximum number of **Board** members (a total of no more than eight, as defined in Section 4.3, *Officers and Officers and Board Members*) is not met, a quorum of **Board** members may be established by majority of all eligible **Board** members that currently hold office, as long as the quorum consists of four or more **Board** members.



3.3 SPHOA Membership Voting by Quorum

For eligible **SPHOA** members, a quorum is reached when a simple majority; that is, greater than 50 (fifty) percent of all eligible **SPHOA** members cast their vote in favor or against is the matter being voted on. If eligible members meet quorum requirements, then the matter that is voted on can proceed to its logical conclusion.

There may be times that a quorum by the **SPHOAs** eligible members cannot be reached during the timeframe given to members by the **Board** to vote on a particular matter. In those cases where a quorum of eligible **SPHOA** members is not obtained when voting on a matter that is based on a majority ruling by its members, then the vote in favor or against the matter being voted on will be decided on based on votes cast at the time that the voting window closes. The **Board** will always make every effort to accommodate a reasonable timeframe that allows all **SPHOA** eligible members to vote on a matter.

The use of delegated or assigned proxies in place of eligible **SPHOA** members is not allowed; that is, eligible **SPHOA** members cannot send someone else in their place to vote on matters in which they are otherwise entitled to vote. Furthermore, a proxy is not allowed even when power-of-attorney authorization is established.

3.4 Voting Procedure

Depending on the nature of the subject matter being voted on, there are varying degrees of voting requirements. Specific voting requirements are documented in those applicable sections of the **Governing Documents**, the nature of which are as follows:

- **Voting Procedure 1.** Requires a vote of approval by a quorum of all eligible members of the **SPHOA**.
- **Voting Procedure 2.** Requires a vote of approval by a quorum of *all* eligible and currently elected **Board** members. Unless otherwise designated, if the vote results in a tie, the current **Board** Chair shall represent the deciding vote.
- **Voting Procedure 3.** Requires a vote of approval by a quorum of eligible and currently elected **Board** members, with a minimum of four members present to vote. Unless otherwise designated, if the vote results in a tie, the current **Board** Chair shall represent the deciding vote.

3.5 Voting Technique

When a decision determination requires a vote, the **Board** shall decide upon a suitable technique used to collect and count the votes. Voting typically will involve the use of written ballot that clearly defines the nature of matter being put to a vote along with additional information needed to establish authenticity of voter eligibility. Verbal voting, typically by counting yays or nays or by counting a show of hands, is most commonly employed on matters that only require **Board** authorization.

The technique employed in gathering votes shall be determined by the **Board**, with the **Board** recommending one of three voting systems to collect the votes: 1) during a meeting, 2) mail-in or collection box, 3) gathered by hand going door-to-door, or 4) by remote computer online means.

- **Meetings.** Voting takes place at the time of a meeting, typically by a show of hands or through verbal indication.
- **Mail, collection box drop-off, or hand collection going door-to-door.** Voting takes place by ballots being mailed, dropped off at a collection box, or collected by hand.
- **Remote computer online.** Computer online voting through a suitable and reputable third-party vendor that has no conflict of interest with the **SPHOA** or by another electronic means where voting fraud cannot be committed.



ARTICLE 4. BOARD MEMBERS AND OFFICERS OF THE SPHOA

4.1 Management Assignment of the SPHOA

The **SPHOA** shall be governed and managed by its **Board** and its assigned **Officers**, as applicable, with all rights, powers, privileges, and limits of liability bestowed upon it under the legal context established under the *Utah Revised Nonprofit Corporation Act* and that are consistent with the Articles of Incorporation and the **Bylaws** under which the **SPHOA** operates. All **Board** members shall serve the **SPHOA** on a strictly voluntary basis.

4.2 Responsibilities of the Board

The **Board** has a fiduciary responsibility to the **SPHOA**, which requires that all business that it oversees is conducted in good faith and trust, with an appropriate level of skill and care, and where **Board** members reasonably believe their actions are in the best interest of its eligible members and the Summit Park community as a whole. The fiduciary responsibility of **Board** members also requires that **Board** members cannot act out of passion or prejudice, personal self-interest, or through revenge or otherwise negative motivations.

4.3 Board Member and Officer Positions

Board Officers shall be minimally comprised of a Chair, Treasurer, and Secretary. **Board** members may or may not necessarily be designated **Officers** of the **SPHOA**, and similarly, designated **Officers** of the **SPHOA** may or may not necessarily be members of the **Board**. **Board** members that do not formally perform in an **Officer's** role are elected to further contribute to the overall responsibilities that the **Board** undertakes.

In title, the **Officer** with the title of *Chair* shall act as the principal executive of the **SPHOA**. The **Officer** holding the title of *Treasurer* of the **SPHOA** shall collect, safeguard, disburse, and make periodic reports of all expenditures and funds collected on behalf of the **SPHOA**. The Treasurer is also expected to provide up-to-date financial reports at **Board** meetings in which they attend or when so requested by the **Board**. The **Officer** holding the title of *Secretary* of the **SPHOA** shall be responsible for keeping **Board** and meeting minutes and maintaining adequate records of relevant **SPHOA** business activities; however, **Board** minutes may at times also be taken by an existing **Board** member that is not designated as the Secretary.

Any elected **Board** member may also be assigned specific duties by the Chair on an as-needed basis. Specific responsibilities of the Chair, Treasurer, and Secretary may, at times, also be shared or be held by the same individual, especially during those times when the Chair, Treasurer, or Secretary are temporarily unable to attend to all or some of their assigned duties and responsibilities. An **Officer** may hold two or more **Officer** positions at any one time, but such an arrangement is expected to only be temporary until an individual is located and approved to fill the vacant **Officer** position.

In total, no more than eight elected members may serve at any one time on the **Board**. If there are three or less elected members constituting the full **Board**, then the **Board** will have to cease to carry out all but the most necessary functions necessary to successfully maintain the operation of the **SPHOA** until such time as additional **Board** member(s) are identified and elected to serve on the **Board**.

4.4 Board Member and Officer Compensation

With the exception of the position of Treasurer (as further described below), all **Board** members shall serve with no financial or other forms of compensation beyond being reimbursed for reasonable expenses that are incurred on behalf of the **SPHOA**.

Due to the criticality of the Treasurer position and the time and effort required to fulfill their responsibilities on behalf of the **SPHOA**, the position of Treasurer shall be paid the sum of \$50.00 (fifty dollars) per month, or in lump sum on a quarterly or annual basis that is equivalent to \$50.00 (fifty dollars) per month, for as long as



Summit Park Homeowners Association

they remain in that position and successfully fulfill their duties and responsibilities. An adjustment to the compensation to the Treasurer to carry out their fiduciary responsibilities may require a periodic monetary adjustment. Any such monetary adjustment shall undergo a vote of approval utilizing Voting Procedure 2 (see Section 3.4, *Voting Procedure*), excluding the Treasurer.

Expenses incurred on behalf of the **SPHOA** shall be reimbursed only for those items that the **Board** determines are needed, necessary, and beneficial to the greater Summit Park community. Any expense incurred by an **Officer** or **Board** member for which they seek reimbursement from the **SPHOA** that is in excess of \$300.00 (three hundred dollars) and is not typical of the business activities that the **SPHOA** finds necessary to conduct its activities shall undergo a vote of approval utilizing Voting Procedure 3 (see Section 3.4, *Voting Procedure*), excluding the individual requesting it.

4.5 Election of Board Members and Officers

Those that seek to fill an open **Board** and/or an **Officer's** position shall require their name be placed before the **Board** and undergo a vote of approval utilizing Voting Procedure 2 (see Section 3.4, *Voting Procedure*). To avoid a conflict of interest when a **Board** member is up for election to an **Officer's** position, that **Board** member is excluded from voting for themselves to fill an open **Officer's** position.

4.6 Term Commitment of Office Board Members and Officers

In general, it is expected that **Board** members and **Officers** shall commit to a minimum of one year on the **Board**; however, there is no limitation on how long a **Board** member or **Officer** can serve on the **Board**. It is suggested that **Board** members and **Officers** serve no more than five consecutive years to allow others that may wish to serve in those positions the opportunity to also be elected; however, a five-year limit is not a requirement so that the services of competent and skilled **Board** members and **Officers** that are willing to continue with their duties can be retained.

It is understood that other commitments or personal reasons may force elected **Board** members or **Officers** to temporarily or permanently leave their position before their voluntary commitment is over. Adequate notice, provided either by verbal or written means, is expected if a **Board** member or **Officer** decides to take a temporary or permanent leave prior to fulfillment of their commitment to the **SPHOA**. With sufficient notification provided, it is hoped that an alternative **Board** member or **Officer** may be found and approved by the **Board** prior to the time that the individual takes leave.

4.7 Vacancies and Removal of Board Members and Officers

Upon the death, removal, resignation, or incapacitation of a **Board** member or **Officer**, a successor shall be sought to fill the vacated position in a reasonable timeframe. If a replacement is not immediately found, the position shall remain vacant until such a time that a new **Board** member or **Officer** is located, agrees to serve on the **Board** or as an **Officer**, and is duly elected by the **Board**.

Any **Board** member or **Officer** may be removed for reasons determined by a quorum of *all* elected **Board** members in those cases where their actions are found to be detrimental to the betterment of the **SPHOA**, the greater Summit Park community, or if their fiduciary responsibilities to the **SPHOA** are not being met. Removal shall require a vote of approval utilizing Voting Procedure 2 (see Section 3.4, *Voting Procedure*), excluding the individual that is being considered for removal. If the matter involves voting to remove the **Board** Chair, then the **Board's** Treasurer shall cast the deciding vote in place of the **Board** chair.

4.8 Contractual and Loan Authority of Board Members and Officers

Unless otherwise provided by a vote of approval utilizing Voting Procedure 2 (see Section 3.4, *Voting Procedure*), no **Board** member or **Officer** shall have the sole power or authority to bind the **SPHOA** by any contract or engagement, to pledge its credit, to make or procure a loan, or to render it liable pecuniary for any



Summit Park Homeowners Association

purpose or in any amount other than that which is considered nominal or is part of doing regular business or an activity required by the **SPHOA**.

All **Board**-approved contracted third-party or vendor work that is of a relatively large amount and not part of normal **SPHOA** business or an activity must include a specific scope-of-work that clearly defines and details the nature of the work and associated costs to successfully complete. In those cases where one person is asked by the **Board** to negotiate on behalf of **SPHOA**, the person's authority must be expressly specified and limited by the **Board** in writing. Any legal review of contracts and loan papers prior to their execution is at the discretion of the **Board**.

ARTICLE 5. SPHOA MEETINGS

5.1 Board and General Membership Meetings

Board and **SPHOA** general membership meetings shall be regularly held to discuss and transact any business of the **SPHOA**, but no less than quarterly. **Board** meetings will generally be open to all eligible members, invitees of the **Board**, special guests invited by the **Board**, or recommended by an eligible member of the **SPHOA** that are pre-approved by the **Board** in advance of the scheduled meeting. Exceptions to this may occur; for example, when remote teleconference meetings are scheduled and it is impractical to invite all interested members to attend the remote teleconference. It is generally expected that all **Board** members and **Officers** attend all scheduled **Board** and **SPHOA** general membership meetings either in person or by remote teleconference. The **SPHOA** recognizes, however, that time or other conflicts may occasionally arise making attendance by all **Board** members and **Officers** impractical.

In accordance with the *Utah Community Association Act*, the **Board** may only take actions on behalf of the **SPHOA** at designated **Board** meetings and general membership meetings and when **Board** quorum requirements are met. Any action(s) that need to be taken outside of a designated **Board** meeting or general membership meetings shall require verbal or written notification to the **Board** prior to the action taking place and such actions must be ratified at the next **Board** or general membership meetings, or soon thereafter.

The order of business at **Board** and **SPHOA** general membership meetings will typically conform to the following agenda:

- A. **Board** meeting call to order (roll call).
- B. Approval of **Board** minutes from the previous meeting.
- C. Treasurer's financial report.
- D. Matters or updates covering any unfinished business before the **Board**.
- E. Matters or updates from any **Board** committees.
- F. Matters covering any new business before the **Board**.
- G. Any **Board** pre-approved eligible member, invitee, or guest discussion(s).
- H. Any other business or items of interest not discussed elsewhere during the meeting.
- I. Establishment of date and time of the next scheduled **Board** meeting.
- J. **Board** meeting adjournment.

Minutes of all **Board** and **SPHOA** meetings shall be posted for review on the **SPHOA's** website (<https://SummitParkUtah.net>), or by other acceptable means, in a timely manner following the meeting. Minutes of all **Board** and **SPHOA** meetings will be preserved for a period of at least five years.

5.2 Notice and Cancellation of a General Membership Meeting

The time and location of all **SPHOA** general membership meetings shall be announced in advance of the meeting to allow adequate time for interested individuals and guests to attend. Notices shall, at a minimum, state the location, day, and hour of the start of the general meeting. Physical mailing of scheduled general meetings to eligible members is not expected to occur, and instead, will more typically occur by electronic,



Summit Park Homeowners Association

banner, or other appropriate means. All notices shall be provided no less than approximately three to seven calendar days prior to the scheduled general meeting date, with the possible exception of regularly held meetings for which, once a firm date, time, and place have been established and appropriately publicized, no additional notice is deemed necessary.

Unless otherwise determined, general membership meetings shall be regularly scheduled (typically monthly or bimonthly) by the **Board** at a location designated and announced in advance to its eligible members. The **Board** shall hold no less than one general membership meeting per year – the annual membership meeting of the **SPHOA** (see Section 5.3, *General Annual Membership Meeting*).

Circumstances may arise on occasion that delays or cancels general member meetings or the ability to hold an annual meeting of the **SPHOA**. The **Board** therefore reserves the right to postpone or cancel, with or without prior notice, a scheduled general member meeting due to unforeseen matters or situations; for example, if the regularly scheduled meeting falls on a holiday, the unavailability of a suitable meeting location, the number of **Board** members present are unable to constitute a quorum of members, or due to health and safety concerns.

5.3 General Annual Membership Meeting

Unless circumstances dictate otherwise, an annual meeting of the members of the **SPHOA** is required under the *Utah Community Association Act*. The general annual membership meeting is typically expected to be held in the month of January of each calendar year, but circumstances may dictate an alternative month. The time and location of the general annual membership meeting shall be announced no less than approximately three to seven calendar days prior to the scheduled meeting date by posting on the **SPHOA's** website (<https://SummitParkUtah.net>), or by other acceptable means, such as by alternative electronic, banner, or other appropriate means. The **Board** reserves the right to postpone a scheduled the general annual membership meeting due to unforeseen matters or situations, but the general annual membership meeting shall be rescheduled as soon as is reasonably possible after the originally proposed date.

The general purpose of the general annual membership meeting is for the **Board** members and its **Officers** to meet with all interested eligible members of the **SPHOA** and to update members on current and potential community programs, events, or activities of the **SPHOA** and other topics of interest affecting the Summit Park community. The general annual membership meeting further allows eligible members of the **SPHOA** the opportunity to query the **Board** and its **Officers** on matters of interest to the them or the Summit Park community as a whole. The general annual membership meeting includes reporting on the financial health of the **SPHOA** for the prior calendar year and will review the proposed budget anticipated by the **SPHOA** for the upcoming calendar year.

5.4 Special Meeting

Outside of regularly scheduled meetings, special meetings of the **SPHOA** may, at times, be called by the **Board** or by eligible members of the **SPHOA**. Special meetings requested by an eligible member will require that greater than one-third (33 percent) of all eligible members of the **SPHOA** collectively make the request (often through signed petition) of if the request is made directly to the **Board** in writing and a quorum of **Board** members agree to it. **Board** members may also call a special meeting by a vote of approval utilizing Voting Procedure 3 (see Section 3.4, *Voting Procedure*). Notice of a special meeting shall follow the same guidelines established for notice of general membership meeting. No business other than that which specifically addresses the subject matter for which the meeting was requested shall be allowed.

5.5 Actions Taken by the Board Without a Public Meeting

The **Board** reserves the right to hold **Board** meetings without **SPHOA** members present due to unforeseen matters or situations. There may also be times when certain business activities require that the **Board** meets independent of its members, but those times are only expected to involve special circumstances that are



specified by the *Utah Community Association Act*, such as meeting to discuss a sensitive legal matter.

5.6 Remote Communications

There may be times when a **Board** meeting is held by means of remote teleconference in which **Board** members are not physically together in the same location during the meeting but can communicate with each other in real-time. Such remote participation in **Board**-related matters is an allowable alternative to an in-person meeting.

ARTICLE 6. SPHOA COMMITTEES

6.1 Authorization

The **Board** may establish committees, either permanently or of a temporary nature, that it deems necessary to pursue the stated business objectives and activities on behalf of the **SPHOA**. Unless otherwise authorized by the **Board**, no committee established by the **Board** shall have authority to enter into any type of contract or agreement beyond what specifically is authorized by the **Board** or established within the **SPHOA's Bylaws**.

6.2 Standing Committee – The Architectural Review Committee

The **SPHOA** has established a standing committee – the Architectural Review Committee – the purpose of which is to provide *assistance* to the **Board** and those seeking to build new, or significantly change, alter, or otherwise modify existing property or structures present in the Summit Park community. It is never the responsibility of the Architectural Review Committee to fully understand and interpret applicable governing state or local laws, as well as the permitting process relevant to site and building modifications, restrictions, and similar property or structural alterations. The main function of the Architectural Review Committee is to provide a degree of assurance that property values are not overly affected by the actions (or non-actions) proposed or undertaken by some land owners and to help maintain the general integrity, property values, and the health and safety of those that live in the Summit Park community.

6.3 Ad Hoc Committees

Ad hoc committees may be required at times to carry out specific objectives or business activities of the **SPHOA**; for example, a membership drive committee or an activity planning committee. Each ad hoc committee shall be provided with specific list of its responsibilities and expectations, either orally or in writing, by the **Board**. With few exceptions, all ad hoc committee shall designate a chairperson of that committee that will be responsible for updating the progress of its activities to the **Board** at regular intervals. An ad hoc committee may be dissolved by a vote of approval utilizing Voting Procedure 3 (see Section 3.4, *Voting Procedure*).

ARTICLE 7. FINANCES

7.1 Financial Controls

Besides providing sound management, successfully running the **SPHOA** requires the collection and expenditures of funds. Nearly 100 percent of funding to the **SPHOA** are captured by contributions in the form of dues paid by its members; and hence, the importance of its eligible members to annually contribute to their **SPHOA**. Careful financial planning is equally important in maintaining the **SPHOA's** financial success. If the **SPHOA** is unable to meet its budget, then the **Board** may be forced to take actions to reduce operating costs or eliminate services and/or community programs, events, or activities (either permanently or temporarily) so that it remains solvent and sufficiently capitalized.

To further control expenditures by the **SPHOA**, single or lump expenditures to fund a particular **SPHOA** event or activity that total more than \$1,000.00 (one thousand dollars), excluding the cost of Dumpster Days, must be approved by a vote of approval utilizing Voting Procedure 2 (see Section 3.4, *Voting Procedure*).



Summit Park Homeowners Association

Exceptions to the \$1,000.00 (one thousand dollars) approval limit include any required and necessary expenses that are incurred by the **SPHOA** to legally operate or are otherwise mandated by a government authority. The **Board** shall preserve accounting records that show the assets and liabilities of the **SPHOA** and records of relevant receipts and expenditures of the **SPHOA** for a period of at least five years.

7.2 Financial Reporting

Up-to-date financial reports shall be prepared by the Treasurer and be presented to the **Board** on a regular basis. Copies of these reports shall be posted in a timely manner for review on the **SPHOA's** website (<https://SummitParkUtah.net>), or by other acceptable means, for review by eligible members. Financial reports will be preserved by the **SPHOA** for a period of at least five years.

7.3 Outstanding Financial Obligation(s) Owed the SPHOA

Any outstanding financial obligation(s) owed to the **SPHOA** on matters related to a settlement payoff needed at property closing shall be assessed a fee of \$100.00 (one hundred dollars) that is in addition to any outstanding fees that are owed. The assessed fee covers the **SPHOA's** administrative costs to research and communicate to the interested party the nature of the financial obligation(s) owed to the **SPHOA**. Both the grantor (the seller/previous property owner) and the grantee (the buyer/new property owner) are jointly and severally liable for any outstanding financial obligation(s) owed to the **SPHOA**. If no financial payoff request is made prior the time of closing, and the debt owed to the **SPHOA** remains unpaid at the time of closing, the new owner shall assume personally liable for the debt owed and will become personally responsible for paying off the financial obligation that other may have incurred.

All requests made to address a settlement payoff to the **SPHOA** on matters related to a property closing must be done by written request for the release of the payoff information. The request must include the name, telephone number, email address, and the physical address of the person or group making the request and the name, telephone number, email address, and the physical address of the person or group for which the payoff information is sent. The settlement payoff request must be signed (physical or electronic) and dated by the responsible party or their representative for which the payoff is requested. The **SPHOA** has up to ten work days to satisfy the request once the request has been received.

Any outstanding financial obligation(s) owed to the **SPHOA** on matters related to a debt settlement that is *not* directly associated with a property closing shall be assessed a fee of \$50.00 (fifty dollars) that is in addition to the total amount owed. The assessed fee covers the **SPHOA's** administrative costs to research and communicate to the interested party the nature of the financial obligation(s) owed. The **SPHOA** has up to ten work days to satisfy the request once the request has been received.

ARTICLE 8. ACTIONS, LEGAL LIABILITIES, AND INSURANCE

8.1 Legal Actions and Precedence

Under no circumstance shall noncompliance with any section of these **Bylaws** constitute the forfeiture of the rights of the **SPHOA** to exist or the rights of the **SPHOA** to enforce its **Governing Documents**. If any part of the **Governing Documents** are hereafter held invalid or unenforceable, the remainder shall not be affected, and only the affected portion(s) of the referenced document shall be declared as eliminated or in need of amendment.

8.2 Legal Actions and Disputes

In those rare situations where a legal dispute or disagreement arises on an enforcement or related action – whether initiated by the **SPHOA** or by an eligible member of the **SPHOA** – the parties involved must first try to resolve the dispute through internal discussions by reaching a mutually agreeable solution. If that proves unsuccessful, parties involved should then attempt resolution through mediation, arbitration conciliation, or



Summit Park Homeowners Association

other non-judicial procedure that may involve a neutral party in the decision-making process. The form of alternative dispute resolution chosen may be binding or nonbinding upon the voluntary consent of both parties. This applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, and in conjunction with any claim for monetary damages not in excess of those limits imposed by applicable law. This does not apply to those disputes that apply to small claims actions or to an assessment dispute.

To the extent permissible by law, a party on whom a request for resolution is served has 30 calendar days following service to accept or reject the request. If the party does not accept the request within that time period, the request is deemed rejected by the other party. If the party on whom a request for resolution is served accepts the request, the parties shall complete alternative dispute resolution within 90 calendar days, or reasonably soon thereafter, after the party initiating the request receives the acceptance, unless this period is extended by written stipulation that is agreed upon and signed by both parties. The costs of the alternative dispute resolution shall be borne by both parties. Failure of an eligible member of the **SPHOA** to comply with the alternative dispute resolution requirements may result in the loss of the eligible member's right to sue the **SPHOA** regarding enforcement of any of the **Governing Documents**, or similarly, the applicable law.

8.3 Indemnification

To the fullest extent legally permissible by law, the **SPHOA** shall indemnify each past or present person who has served, or is serving, as a **Board** member, **Officer**, representative, employee, volunteer, or otherwise agent of the **SPHOA** against all expenses and liabilities that are brought against them for actions or activities associated with the management, operation, and/or business activities of the **SPHOA**. This includes their heirs, executors, and administrators. "Expenses and liabilities" include, but are not limited to, the cost to defend and all incurred costs levied through suits, judgements, fines, penalties, assessed taxes, and related matters that are threatened, pending, or completed in which they become involved by reason of their service to the **SPHOA**. This indemnity potentially excludes any matter as to which the individual was found by a court of law that they operated in a way that was intentionally contrary to the best interest of the **SPHOA** or was done contrary to good faith. The rights under this indemnification section shall be in addition to, and not exclusive of, any and all other rights to which any person is otherwise so entitled. No amendment or repeal to the provisions found within this section shall adversely affect the rights of an indemnified person which occurred at any time prior to such amendment or repeal.

Upon written request to the **Board** by any person seeking indemnification, the **Board**, or their legal representative, shall promptly determine whether the applicable standard of conduct has been met, and if so, the **Board** shall authorize indemnification. If the **Board** cannot authorize indemnification because the number of **Board** members who are party to the proceeding with respect to which indemnification is sought prevents formation of a quorum of the **Board** from forming and rendering a decision, the **Board** may request a special meeting of eligible members to assist in the determination of whether the applicable standard of conduct has been met and/or through additional assistance by legal counsel.

8.4 Insurance

The **Board** shall be responsible to purchase and maintain applicable business and liability insurance on behalf of the **SPHOA** and all those responsible for managing and maintaining its business and operational functions. Adequate policy limits shall be maintained to be protective of relevant potential insurable events.

ARTICLE 9. DISSOLUTION OF THE SPHOA

9.1 Authorization

The **SPHOA** may be dissolved only as provided in the **SPHOA's-Governing Documents** and applicable laws governing such actions. Dissolution of the **SPHOA** shall undergo a vote of approval utilizing Voting Procedure 3 (see Section 3.4, *Voting Procedure*) and as required by applicable law with the State of Utah. If an eligible



Summit Park Homeowners Association

member does not participate in the voting, it will count as a vote for dissolution. Assuming that the **SPHOA** owns no property, no common areas, and no amenities, then the dissolution will consist of equally dispersing all remaining monetary assets of the **SPHOA** equally among all existing active members of the **SPHOA**, minus any outstanding legal obligations or debts it has incurred. If the **SPHOA** owns property or assets, they will be divested or sold according to legal precedence or otherwise as determined in a court of law. All outstanding obligations of the **SPHOA** are deemed automatically assumed by property owners within Summit Park, in addition to any direct obligations that property owners may have to the **SPHOA**.

DRAFT