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KATIE L. DIXON  
RECORDER, SALT LAKE COUNTY, UTAH  
ROY SMITH  
2815 MYLA WAY SLC, 84124  
REC BY: REBECCA GRAY, DEPUTY

**BYLAWS OF MOUNTHAVEN OWNERS ASSOCIATION**

Mount Haven Lots 1-62  
Mounthaven 2 Lots 201-230

**ARTICLE I**

**OFFICERS**

Section 1. The main office of the Association is Salt Lake County. The Board of Trustees has the right to change the main office by majority vote.

The registered office, might not be the same as the main office. The registered office can be changed by the Board of Trustees.

**ARTICLE II**

**STOCKHOLDERS**

**Section 1. ANNUAL MEETING.**

- a. The annual meeting is in Salt Lake County;
- b. The Board of Trustees can determine the place of the annual meeting;
- c. The secretary has to notify the Stockholders at least ten (10) days before the annual meeting;
- d. The secretary cannot send the notice out more than fifty (50) days before the annual meeting;
- e. The notices have to be sent to the Stockholders' addresses which are in the stock book; and
- f. The annual meeting is usually on the second Monday in June.

Section 2. **SPECIAL MEETINGS.** The Board of Trustees can call special meetings. They must give ten (10) days notice for special meetings. The notice of special meetings is sent to the Stockholder' addresses in the stock book. If everybody attends the meeting, then notice can be waived. If everybody attends the meeting or sends a note that says that they do not care about the notice, then the ten (10) days' notice is not necessary.

Special meetings can also be called by the Stockholders if they have at least one third (1/3) of the Stockholders that agree. Special meetings can also be called by the President. If the Stockholders call the meeting, then the only business that can be conducted at that meeting is the business shown in the notice.

**Section 3. CLOSING OF TRANSFER BOOKS OR FIXING RECORD DATE.**

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SALT LAKE COUNTY

The Board of Trustees has the right to close the books for fifty (50) days for any of the following purposes:

- a. To determine which Stockholders are entitled to receive notice of a meeting;
- b. To determine which Stockholders are entitled to vote at a meeting; and
- c. If the Board of Trustees has some other reason that the Board thinks is proper.

If the Board is going to close the stock transfer books in order to determine who the Stockholders are, they have to close the books for at least ten (10) days immediately before the meeting. If the Board does not want to close the stock transfer books, they can pick a date way in advance of the meeting or the voting and make that a "Record Date." If that is the route the Board takes, then that date has to be at least ten (10) days prior to the meeting or the vote and not more than fifty (50) days prior to the meeting or the vote. If the Board decides not to close the stock transfer books and not to set a record date, then the date of the notice of the meeting is the record date. The Stockholders who have a right to vote at a meeting are also the people who have right to call for an adjournment.

**Section 4. VOTING.** Each Stockholder gets one (1) vote for each share of stock they have. Before they can vote, they must have paid all of the assessments. If an eligible Stockholder does not want to vote he/she can authorize somebody else to vote for them.

**Section 5. PROXY.** If the Stockholder authorizes somebody else to vote, that authorization must be in writing. The authorization will expire in eleven (11) months, unless the authorization says something different. If the Stockholder authorizes somebody else to vote for them and then wants to change his/her mind, that is okay.

**Section 6. VOTING OF SHARES BY CERTAIN HOLDERS.**

- a. If a Stockholder is a corporation, then the voting is done by whoever the Board of that corporation determines;
- b. If the Court has appointed somebody to look after a Stockholder's affairs, then that court-appointed person can vote without having to transfer the shares to his/her own personal name. If such a court appointment does exist, then he/she has to show the Board of Trustees some evidence that he/she has this appointment;
- c. If a Stockholder pledges his/her shares (such as to a bank for a loan), the Stockholder can still vote those shares. If the shares get transferred (to the person that the Stockholder pledged the shares to), the voting is done by whomever they were transferred to; and

- d. If the Mt. Haven Association owns some of its own shares, the Association cannot vote those shares.

**Section 7. ELECTION OF BOARD OF TRUSTEES.** Each Stockholder gets a vote for each share held by the Stockholder. The Stockholder is entitled to vote that number of shares for each Trustee to be elected. Cumulative voting is prohibited. Cumulative voting is where a voter is issued a vote for each Trustee to be elected, and then is permitted to bunch up those votes to only one candidate or very few candidates.

**Section 8. QUORUM.** If more than half of the voting shares are present at a meeting (including proxy), that is enough to transact business. On any vote at the meeting, if you get more than half of the shares present, that is enough to carry the question.

**Section 9. INFORMAL ACTION BY STOCKHOLDERS.** Any action can be taken by the Stockholders without a meeting, if you have a written consent of all of the Stockholders.

### ARTICLE III

#### TRUSTEES AND OFFICERS

**Section 1. NUMBER.** The Association is managed by a Board of Trustees. There must be seven (7) members on the Board. The election of Trustees is governed by Article VIII.

**Section 2. POWERS.** The Trustees have to act as a Board, not as individuals. The Trustees can adopt rules for the following purposes:

1. The conduct of meetings;
2. The management of the Association;
3. The proper and safe use of Mt. Haven Road;
4. The proper and safe use of the water system.

All the rules adopted by the Board of Trustees must be consistent with the Bylaws and the laws of the State of Utah.

**Section 2(a).** With regard to Mt. Haven road and the water system, the Board has the following authority:

1. To maintain the road and water system;
2. To make rules about the use of the road for coming in and going out;
3. To make rules about the use of the road, telephone and improvements that have to do with the use and enjoyment of the land owners and their guests;
4. To set and collect assessments; and

5. To impose fines.

Section 2(b). With regard to assessments and fines, the Board has the right to make rules about:

1. Speed limits;
2. Rules of the right of way;
3. Rules with regard to limiting the time that the roads can be used; and
4. Rules with regard to using law officers to enforce laws and rules.

Section 2(c). The Board has authority to make rules with regard to the water system. They can enforce those rules by assessments and fines. They can employ law officers for the purpose of enforcing these rules.

Section 3. BOARD OF TRUSTEE'S MEETINGS. The Board must meet within two (2) weeks after the annual meeting of the Stockholders. The Board can determine the time and the place. Special meetings of the Board can be called by the President or by the Secretary. The President or the Secretary can only call these meetings if three (3) Trustees make a written request.

Section 4. BOARD OF TRUSTEE'S MEETINGS. When you hold a board meeting, you must give each Board member written notice. The written notice has to get to them at least three (3) days before the meeting. The written notice has to tell where the meeting is and the date and time.

The Board can conduct any business that they wish as long as more than half of the Board members are present. The Board can also conduct any business that they want, if more than half of the Board have waived the notice requirements of the meeting. This means, that if you need to get something done this afternoon, and you can get more than half of the Board together, and they are willing to waive the notice requirements, you go ahead and make a decision.

A Board member can waive the requirement of the three (3) day notice at the meeting. However, if the Board member attends the meeting, that means that he or she has automatically waived the requirement of the three (3) day notice, unless he/she attends the meeting to object to the procedures in calling the meeting.

Section 5. VOTING. Each Board member gets one (1) vote. More than half of the votes of the members present is enough to approve any action. Remember the requirement that you have to have the Quorum before you can have the meeting.

Section 6. REMOVAL OF TRUSTEES. Any Board member can be removed for any reason so long as:

- a. A special meeting of the Stockholders is called for that purpose; and
- b. The vote to remove the Trustee includes more than half of the voting shares.

Section 7. QUORUM. In order to transact any business, there must be at least four (4) members of the Board present. To approve any action, more than half of those present must vote for it. If the Board does not have a Quorum, they do have authority to adjourn the meeting until they can get a Quorum.

Section 8. PRESUMPTION OF ASSENT. These rules assume that any Board member who attends a Board meeting agrees with the action taken at the Board meeting unless;

1. The Board member requests that the disagreement be entered in the minutes of the meeting; or
2. The Board member files a written notice of disagreement with the Secretary before the meeting ends; or
3. The Board member forwards a written disagreement by registered or certified mail to the Secretary of the Association immediately after the meeting is over.

However, somebody who voted in favor of the action does not have a right to file a dissent.

Section 9. DELINEATION OF OFFICERS. The Association will have four (4) officers, these are:

- a. President;
- b. Vice-President;
- c. Second Vice-President; and
- d. Secretary/Treasurer.

The officers are automatically members of the Board of Trustees.

Section 10. ELECTION OF OFFICERS. Officers are elected annually by the Stockholders at the Stockholder annual meeting. The officers hold office for one (1) year or until somebody else is elected to serve. If an officer resigns, the Board can appoint somebody to fill the remainder of the one (1) year term. To preserve continuity, the immediate past President automatically becomes a board member unless he/she resigns or is removed from office by a majority vote of the Stockholders.

Section 11. DUTIES OF OFFICERS. The Duties and powers of the officers are as follows:

A. President

1. Presides at all meeting of the Stockholders;

Mt. Haven Owners Assoc.

2. Gives a report on the condition of the Association at each annual meeting;
  3. Is responsible to call all the meetings of the Stockholders;
  4. Is responsible to call all the meetings of the Board of Trustees;
  5. Signs all the contracts;
  6. Amends the contracts, if the President gets the authority of the Board of Trustees;
  7. Is responsible to see that all the records are properly kept;
  8. Signs all stock certificates;
  9. Signs all checks;
  10. Enforces the Bylaws; and
  11. Whatever else is required by law.
- B. Vice-Presidents. The Vice-Presidents have the following duties and responsibilities:
1. In the President's absence the Vice-President performs the President's jobs.
- C. Secretary/Treasurer. Secretary/Treasurer has the following duties and responsibilities:
1. Keeps the minutes of the meetings of the Board;
  2. Keeps the minutes of the meetings of the Stockholders;
  3. Prepares and sends out all notices;
  4. Keeps the records including the corporate seal;
  5. Keeps the stock transfer books including the following:
    - a. the amount of capital stock issued;
    - b. the amount of capital stock outstanding;
    - c. how the stock was paid for;
    - d. when the stock was paid for;
    - e. the names of the owners of the stock (alphabetically);
    - f. number of shares owned by each Stockholder;
    - g. the date when each Stockholder became an owner; and
    - h. the amount that was paid for the stock.
  6. Keeps the stock and transfer books open for inspection during business hours;
  7. Permits each Stockholder to get copies of any records;
  8. Signs certificates of stock;
  9. Presents all correspondence addressed to the Association;
  10. Handles any correspondence;
  11. Takes care of the money;
  12. Makes deposits of the funds in banks or safe

- deposit vaults;
13. Keeps the books available to any Stockholder;
  14. Presents a statement of the financial condition at each regular meeting of the Board;
  15. Presents a full financial report at each annual meeting of Stockholders;
  16. Keeps the financial books; and
  17. Performs any other duties assigned by the Board.

**Section 12. VACANCIES, HOW FILLED.** All Officer vacancies will be filled at a meeting of the Stockholders. A special meeting may be called for this purpose. If a majority of the entire Board of Trustees agrees, the Board can reassign these duties and powers of officers to other officers or other Board members. This is for a temporary period of time.

**Section 13. REMOVAL OF OFFICERS.** An officer or Trustee may be removed for any reason by a majority vote of the Stockholders.

#### ARTICLE IV

##### CERTIFICATES OF STOCK

**Section 1. DESCRIPTION OF STOCK CERTIFICATES.** The certificates will be numbered and registered. Certificates will have the owner's name and number of shares. The certificates will carry two (2) signatures. One (1) signature will be a President or Vice-President. The second signature will be that of the Secretary/Treasurer. The certificate must also carry the seal of the Association.

**Section 2. TYPES OF STOCK.** There are two (2) types of stock. The two (2) types of stock are: Owner-share stock and water-share stock. Water-share stock can be used only to vote on those issues which are directly related to water issues. An owner-share stock can only be used to vote on issues which are directly related to lot issues.

**Section 3. TRANSFER OF STOCK.** Stock can only be transferred by the person who own the stock or by that person's representative. When you transfer stock, you have to turn the old certificate in before a new one can be issued. You cannot transfer any stock from ten (10) days before the annual Associations meeting until after the meeting.

**Section 4. SALE OF STOCK.** If you want to sell your stock, you must offer a "First Right of Refusal" to the existing Stockholders and the Association. The intention is to give the remaining Stockholders and the Association a preference to purchase the stock. Any sale in violation of this article is null and void. You do this by notifying the Secretary/Treasurer of the Association. The Secretary/Treasurer then notifies the other

Stockholders and the Association of the price of the stock. If none of the other Stockholders or the Association buy the stock within thirty (30) days, then the Stockholder can sell stock to whomever they want, so long as the terms of the offer are the same as the terms that were offered to the Association. If you sell your stock in violation of that condition, then the sale of the stock is void.

**Section 5. LOST CERTIFICATES.** If you lose your stock certificate, you can apply to the Board of Trustees for a new certificate. When you apply, you have to make an Affidavit up telling the Board what happened. The Board has a right to insist that you file a deposit or a bond if they wish.

**Section 6. ASSESSMENTS.** The Association has a right to file a lien against the shares of the stock owned by a member. The stockholder must be delinquent for four (4) years before they can do that. If the Association decides to forfeit the share certificates, then you have to give a written notice to the shareholder first. After it is forfeited, then the stock ought to be reissued to that shareholder if he or she pays all of the dues owing from before the notice and after the notice.

#### ARTICLE V

##### SEAL

**Section 1. SEAL.** The Association has the right to use a seal.



ARTICLE VI

AMENDMENTS

Section 1. HOW AMENDED. You can only amend the Bylaws by a vote of the Stockholders. It can be a regular meeting or a special meeting. The meeting has to be called for that purpose. More than half of the voting shares have to be present. The meeting has be held with all the rules in place about notice.

ARTICLE VII

FISCAL YEAR

Section 1. FISCAL YEAR. The fiscal year begins January 1 of each year.

ARTICLE VIII

WAIVER OF NOTICE

Section 1. WHAT CONSTITUTES WAIVER. Whenever a Trustee or a shareholder of the Associations wants to waive notice of the meeting, they can do so as long as they do it in writing. It can be done before or after the time of the meeting. If they do waive it in writing, that is the same thing as having received notice.

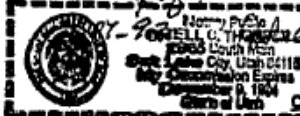
ARTICLE IX

INCONSISTENCIES

Section 1. INCONSISTENCIES. If these Bylaws say one (1) thing and the articles of Incorporation say another, then what the Articles of Incorporation says is what counts.

ADOPTED this 27 day of August

*State of Utah*  
*County of Salt Lake*



MT. HAVEN OWNERS ASSOCIATION  
A UTAH CORPORATION

BY *John Catmull*  
President



CERTIFICATE OF SECRETARY/TREASURER

I, the undersigned, do hereby certify:

Mt. Haven Owners Assoc.

1. That I am the duly elected and acting Secretary/Treasurer of Mt. Haven Owners Association, a Utah Corporation; and
2. That the foregoing Bylaws, comprising nine (9) pages, constitute the Bylaws of said Association as duly adopted at a meeting of the Shareholders thereof duly held on the 27th day of August, 1992.

State of Utah  
County of Salt Lake  
8-27-92

Rita A. Lemberg  
Secretary/Treasurer

Charles C. Thomas



## MT. HAVEN OWNERS ASSOCIATION

### RULES

Introduction: We invested in our Mt. Haven property to enjoy the canyon and the association of our fellow Mt. Haven residents. Loud noise, annoying and dangerous behavior, trespassers or unwanted vehicles limit the peace and enjoyment of the area. The following rules should help to control the potential problems

#### 1. ENTRANCE

The entrance will remain locked at all times throughout the year. The gate installed at the entrance is to remain locked. If you are going to your cabin for a minute and coming right back, lock the gate in between. Arrangements should be made to meet family and friends at the gate to let them in. The entrance should not be blocked by parking vehicles or other equipment on the bridge or access road. Locks should not be deliberately damaged for any reason.

#### 2. KEYS

Each property owner, who is current on their assessments, will be given two keys to the gate and telephone booth when locks are changed or property acquired. Three additional keys may be purchased at a current fee of \$5.00 each. The Board of Directors may adjust these fees as they deem appropriate. Should property change ownership, all keys should be relinquished to an officer of the Association.

#### 3. ROADS

All owners have the right to use the road at any time. Roads may not be blocked. Uphill traffic has the right of way. Plowing of common roadway is prohibited. Excessive speed and reckless driving are prohibited, and unnecessary driving around the area is discouraged in order that others may enjoy a peaceful mountain atmosphere.

#### 4. LAW ENFORCEMENT

All state, county, and Forest Service rule, laws and ordinances will be enforced. The County Sheriff has perpetual access to patrol and enforce the law.

#### 5. DAMAGE TO COMMONLY OWNED PROPERTY

Owners are liable for any damage caused by themselves, their guests or employees. The board will bill the owner for

repairs. Deliberate damage will be fined as determined by the board. A damage deposit of \$1,000 must be made before new construction may begin. The money will be returned at completion of construction with the cost of repairs, if any, deducted.

6. LEASING OR RENTING CABINS

Mt. Haven is intended for residential use. Leasing or renting of cabins will be limited to two weeks per year. The property owner will bear liability for actions of their guests or lessees.

7. WATER TANKS

Filling water storage tanks must be done during Monday through Thursday to avoid leaving other cabins dry during high usage weekends.

8. ACCEPTANCE OF RULES

All approved Mt. Haven covenants, articles, by-laws, rules, special provisions and restrictive covenants presently in force, or any approved in the future through action of the Board of Trustees and/or stockholders, are recognized as binding on each stockholder and will automatically become binding on any future Mt. Haven stockholder whether Mt. Haven property is acquired through inheritance, sale, gift or other legal means. All liens, assessments, or penalties currently documented in Mt. Haven records or filed through proper legal means in the future will stand as legal and binding upon present or future Mt. Haven property owners.

9. PROPOSALS

Shareholders have the right to request a review of any or all of Mt. Haven's rules and regulations or to make suggestions by submitting a written proposal to any member of the acting Board of Trustees. The proposals will be reviewed at the next scheduled meeting of the Board, but in no event longer than twelve months time. The action of the Board regarding proposals will be addressed in writing to the shareholder submitting the request.