

**SIXTH AMENDMENT TO THE
BY-LAWS
OF FAIRVIEW LAKES ASSOCIATION**

SECTION 1. NAME AND LOCATION

The name of this Corporation is FAIRVIEW LAKES ASSOCIATION (hereafter the "Association"). The registered office of the Association in the State of Utah shall be located at 765 North Main Street, Spanish Fork, Utah 84660.

SECTION 2. PURPOSE

The purpose of this Association is to provide its members with recreation property and other recreational facilities at Fairview Lakes in Sanpete County, Utah, and such other recreational property and facilities as the Governing Board may determine should be acquired, all of such facilities and services to be provided members of the Association.

SECTION 3. MEMBERSHIP

- A. Eligibility--Authorized Memberships. Any natural person of legal age approved by the Governing Board shall be eligible for membership in the Association, provided a membership is available. Corporations, partnerships and trusts may be permitted to hold memberships upon such special terms and conditions as the Governing Board may establish. There shall be a total of 198 memberships in the Association.
- B. Certificates Representing Memberships. Certificates representing memberships shall be issued with such form and design as the Governing Board may determine. Each such certificate shall be signed by the President and Secretary of the Association, and shall state on its face the number of the certificate, the State of incorporation, the name of the holder of the membership represented thereby, and that the certificate represents one membership only and that no transfer of the membership represented thereby shall be registered on the books of the Association or be otherwise recognized until any unpaid amounts owing the Association by the member have been paid in full.
- C. Lost Certificates. The Governing Board may direct a new certificate or certificates to be issued in place of any certificate previously issued by the Association and alleged to have been destroyed or lost through receipt of an affidavit of that fact by the person claiming the certificate to have been destroyed or lost. When authorizing such issuance of the new certificate or certificates, the Governing Board may, in its discretion and as a condition precedent to the issuance thereof, require the registered owner of such lost or destroyed certificate or certificates or his legal representative, to give the Association a bond in such sum as the Governing Board may require as indemnity against any claim that may be made against the Association by reason of such lost certificate. (The newly issued certificate shall be stamped, 'DUPLICATE')

D. Members. The members of the Association shall consist of:

- 1) 198 memberships having been approved by the Governing Board and having executed a Membership Agreement and being current in the performance of the obligations of their purchase agreement or having paid for the membership in full and having received a certificate of membership.
- 2) All membership transferees approved by the Governing Board to whom memberships are transferred in accordance with the provisions of these By-Laws, shall pay a transfer fee upon purchase of a membership as established by the board.

E. Transfer. Except as provided in paragraph E (3) (g) of this section, memberships transferable only as follows:

- 1) Death of a Member. If upon death of a member, his membership in the Association passes to a member of his immediate family, such recipient may, by assuming in writing the terms of the Membership Agreement within 60 days after the member's death, or such additional period of time as the Governing Board may allow, and by paying all amounts due with respect to the membership received, become a member of the Association. If a member dies and his obligations as a member to the Association are not assumed in accordance with the foregoing, or his Membership does not pass to a member of his immediate family, then the Association shall have the right, but not the obligation, to purchase the membership from the deceased member's estate in the manner provided in paragraph (2) of this subsection, written notice of the death being equivalent to notice of intention to withdraw (or a copy of a death certificate and a copy of a Will or Trust). If the Association does not exercise such option, the provisions of paragraph (3) of this subsection shall be applicable. The references to "member" therein to be construed as references to the legal representative of the deceased member.
- 2) Option of Association to Purchase. Whenever a member shall desire to sell or otherwise give or transfer or dispose of his membership rights pertaining to his membership, he shall notify the Association in writing of such intention and the Association shall have an option for a period of thirty (30) days after receipt of such notice, but not the obligation, to purchase the membership, together with all of the rights pertaining thereto for such sum as the member shall have been offered by any prospective purchaser, or in the absence of such an offer, for such sum as the Governing Board may determine represents the fair market value thereof, less any sums which are then owing from the member to the Association. Upon the purchase by the Association of the membership, the selling member's rights shall cease immediately, and the member shall forthwith deliver his membership certificate evidencing his membership to the Association.
- 3) Transfer If Association Does Not Exercise Option. When the Association waives in writing its right to purchase the membership under its option or fails to exercise such option within the thirty (30) day option period, the member may sell or otherwise transfer his membership and membership certificate to any person provided that:
 - a) The Governing Board shall have approved the proposed transferee as a prospective member of the Association.

- b) All assessments, dues and other indebtedness of the member to the Association have been fully paid, or the proposed transferee has paid such indebtedness.
- c) The certificate representing such membership, properly endorsed, shall have been received by the Association for transfer.
- d) In the event the Governing Board shall fail to act upon a written request for approval of a proposed transfer of a membership for a period of thirty (30) days following receipt of such a request in writing, the Board shall be deemed to have approved the same.
- e) When a proposed transferee has been approved for membership and has paid the obligations of the Membership Agreement by executing a Membership Agreement and the retiring member shall have paid all amounts owing by him to the Association, and the membership certificate has been surrendered for transfer, the retiring member shall be released from all obligations under his Membership Certificate and a new membership certificate shall be issued to the transferee.
- f) Sale--Exchange of Memberships Among Members. Members may transfer memberships between or among themselves as they see fit without prior approval of the Association; but no such transfer shall operate to relieve any member or the obligation to pay outstanding obligations owed to the Association with respect to his membership, which is the subject of such a transfer.
- g) Suspension--Termination of Memberships for Cause. Memberships may be suspended or terminated for a member's failure to comply with the Membership Agreement or the By-Laws of the Association. Proceeding with respect to such suspension and termination shall be undertaken pursuant to the same notices as are provided to be given in Section 10 H and I below. In the event of termination, the membership certificate shall be forthwith surrendered. In the event the member shall fail for a period of ten (10) days after demand to deliver to the Association his membership certificate, such certificate shall, upon termination, be deemed to be cancelled and a new certificate may be reissued by the Association to a new purchaser.
- h) No Liability of Members for Debts and Obligations of the Association. Members are not individually or personally liable in any respect for any of the debts or obligations of the Association.

SECTION 4. MEETINGS OF MEMBERS

- A. Annual Meeting. The annual meeting of members shall be held during the month of November at a place and time determined by the Governing Board.
- B. Special Meetings. Special meetings of the members for any purpose or purposes may be called by the Governing Board or by persons holding not less than one-third of the outstanding memberships, at a place and time determined by the Governing Board.

- C. Notice of Meetings. Written notice of the place, day and hour of all meetings of members and in the case of a special meeting, its purpose (and agenda), shall be given by the Secretary to all members as disclosed by the Association's books and records thirty (30) days before the date of such meeting. Notice shall be delivered personally or by email to the email address on file as provided by the member to the Association or deposited in the United States mail, postage prepaid, addressed to the latest post office address of the member as it appears on the records of the Association.
- D. Waiver of Notice. Members may waive notice of the time, place and purpose of any meeting of members by the entry of their written consent to such meeting upon the records of the Association either before or after the holding thereof.
- E. Quorum. The members entitled to vote that are represented at a meeting of members in person or by written proxy duly filed with the Secretary of the Association and dated no more than 30 days previous to such meeting shall constitute a quorum. Members present at a duly called meeting may continue to transact business until adjournment. The vote of a majority of the votes entitled to be cast by the members present or represented by proxy at a meeting shall be necessary for the adoption of matters voted on by the members unless a greater proportion is required by law, the Articles of Incorporation or these By-Laws.
- F. Consent to Action without a Meeting. Any action, which may be taken at a meeting of members, may be taken without a meeting of members if authorized by a writing signed by a majority of members who would be entitled to vote thereon.
- G. Voting. Every member of record, at the time notice of a members' meeting is given or mailed, shall have the right to one vote for every membership standing in the name on the books of the Association provided such member is not delinquent in the payment of sums owed by him to the Association.

While a member is delinquent in the payment of sums owing the Association, or is in non-compliance with the Association Declaration of Protective Covenants, he shall have his voting rights automatically suspended.

In all elections of the directors to serve on the Governing Board, each member shall have the right to vote in person or by proxy the number of memberships owned by him for as many persons as there are directors to be elected. All voting for directors shall be by secret ballot.

- H. Proxies. A member may appoint only his or her spouse or attorney, or members of the Association as proxy. All proxies must be written and must be filed with the Secretary before the time for voting at the meeting,

SECTION 5. GOVERNING BOARD

- A. General Powers. The Association's Governing Board shall manage the business and affairs of the Association.
- B. Number, Election, Tenure, and Qualifications. The Governing Board shall consist of seven directors. Each director shall be elected for a term of three years. Each director shall hold office until his resignation or removal or until his successor shall have been duly elected, whichever comes first.

- C. Meetings. The Governing Board shall meet immediately following the annual members' meeting, if practicable, otherwise within ninety days at such time and place as the Governing Board shall so designate. At such organizing meeting, the Governing Board shall elect a President and Secretary and such other officers, committee chairmen and committees as the Governing Board shall deem appropriate to conduct the business and affairs of the Association.

Special meetings of the Governing Board may be called by the President of the Governing Board or by the Secretary. Regular meetings of the Governing Board shall be held at least quarterly at such time and place, as the Governing Board shall, by resolution, determine.

- D. Notice of Meetings--Waiver of Notice. Notice of the time and place of both regular and special meetings of the Governing Board shall be given to each director at his last known address at least three days before the meeting. Such notice need not be written and such notice may be waived by the director in writing before, at, or after a meeting and shall be conclusively deemed to have been waived by each director who is present at a meeting.
- E. Action without a Meeting. Action by the Governing Board may be taken without a meeting provided all directors consent thereto orally or in writing or by taking part in such action.
- F. Quorum. The directors present at a duly called meeting of the Governing Board shall constitute a quorum for the transaction of business and the action of a majority of the directors present at a meeting at which a quorum is present shall constitute action by the Governing Board.
- G. Vacancies. Vacancies in the Governing Board caused by any reason other than removal of a director by a vote of the membership shall be filled by a majority vote of the remaining members of the Board and each person so elected shall serve as a director for the remainder of the term of his predecessor and until his successor shall have been elected and qualified.
- H. Removal of Directors. Directors elected by the members may be removed with or without cause by vote of a majority of those present at any annual or special meetings of members and a successor may then and there be elected to fill the vacancy. Any director whose removal is proposed shall be given an opportunity to be heard at the meeting. The term of any director who becomes more than thirty days delinquent in paying obligations owed by him the Association, as a member, may be terminated by a majority of the remaining directors, and the remaining directors shall appoint his successor.
- I. Powers, Responsibilities, and Duties. The Governing Board shall have the following powers, responsibilities and duties:
- 1) To make and enter into contracts, leases and other agreements for the acquisition, maintenance and management of properties acquired for the benefit of members of the Association, and to otherwise manage the business and affairs of the Association for the benefit of the members and in connection therewith, to make rules and regulations not inconsistent with the laws of the State of Utah, the Articles of Incorporation and the By-Laws of the Association for the guidance of the Association's officers in the day-to-day direction of the affairs of the Association.
 - 2) To appoint the officers of the Association and to appoint committees with such limited responsibilities and functions as the Governing Board may, by resolution, determine.

- 3) To cause to be kept a complete record of all directors' meetings, all committee meetings and all members' meetings and of all business and accounts of the Association.
 - 4) To cause funds of the Association to be safely kept, directing from time to time where they shall be kept and/or deposited, and to make a full and complete annual financial report to members.
 - 5) To designate by resolution of a majority of the whole Board two or more of their number as an executive committee which, to the extent provided in said resolution, shall have and exercise the authority of the Governing Board in the management of the business of the Association except as to those decisions by law reserved for the determination by the full Governing Board.
 - 6) To establish an annual budget, special budgets and proposed fees, charges and general and special assessments for the improvement, management and maintenance of the Association's properties.
- J. Compensation. The Governing Board shall have the right to determine to pay compensation in a reasonable amount to directors, officers and members for services actually rendered in connection with the conduct of the business and affairs of the Association. In all cases, the compensation so authorized shall be reasonable in amount, in relation to the services rendered.

SECTION 6. OFFICERS

- A. Designation. The principal officers of the Association shall consist of a President and a Secretary. The Secretary shall perform the function of a Treasurer as well as Secretary, provided however, that the Governing Board may appoint such other officers and such committees as it determines to be necessary or useful in the judgment of the Board.
- B. Appointment. The Governing Board shall have authority to enter into employment contracts with persons serving as President and Secretary. Subject to the terms of any employment contracts, officers shall hold office at the discretion of the Governing Board. The Governing Board shall fulfill vacancies in offices, which occur. Directors may serve as officers.
- C. Removal. Subject to the terms of any employment agreements entered into by the Governing Board, any office may be removed without cause at any time by the majority vote of those present at a meeting of the Governing Board and successor officers may be appointed at the same meeting by like vote.
- D. Secretary. It shall be the duty of the Secretary to keep a record of the proceedings taken at meetings of the Governing Board, at meetings of members and, if invited to committee meetings, to the proceedings taken at committee meetings. The Secretary shall keep a book of membership certificates and keep records of the issuance and transfer of the same. These books and records shall include the names, addresses, telephone numbers and other information respecting members. The Secretary shall see that all notices are duly given in accordance with the provisions of these By-Laws and shall be the custodian of the Association's books and records and the seal of the Association and shall see that the seal of the Association is affixed to all instruments that are required to be sealed. . If desired by

the Governing Board, the Secretary's signature may be required in addition to that of the President on membership certificates and on such other instruments as the Governing Board may, by resolution, determine.

The Secretary shall safely keep all funds belonging to the Association and expend the same under the direction of the Governing Board and shall propose and submit statements of all his or her accounts with vouchers for the information of the Governing Board or members at the annual meeting and at such other times as the Governing Board may require. The Secretary shall keep proper account receipt and cash books and discharge such other duties as pertain to the office as may be prescribed by the Governing Board.

- E. Salaries. The salaries of the officers shall be as fixed and determined from time to time by the Governing Board, or the officers may be uncompensated as the Governing Board may from time determine.
- F. Fidelity Bonds. The Governing Board shall require that all officers and employees of the Association, permitted to handle or be responsible for the receipt and expenditure of Corporate or trust funds, furnish adequate fidelity bonds. The Association shall pay the premiums for the same.

SECTION 7. CONTRACTS, LOANS, CHECKS AND DEPOSITS

- A. Contracts. The contracting authority of the Association shall reside in the Governing Board.
- B. Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by the general or special resolution of the Governing Board.
- C. Checks. The Governing Board, by resolution, may designate the President, directors, and the Secretary, to have power to sign corporate checks, drafts and other orders for the payment of money and notes or other evidences of indebtedness issued in the name of the Corporation. Any two signatures of those so designated to sign, will be sufficient.

SECTION 8. PROPERTY AND FACILITY PROVISIONS

- A. Common Rights of Use. To each membership shall belong the right in common with all other members to use the recreational properties and facilities of the Association, which are not licensed to members for the exclusive use of members. The right of members to use the recreational properties and facilities of the Association shall be in accordance with such rules, regulations and restrictions as may from time to time be established by the Governing Board. This right shall belong only to members and may be exercised only by members, their spouses, parents, and children and by such limited number of members', guests as the Governing Board may, by resolution, determine.
- B. Exclusive Rights of Occupancy Use. The Governing Board shall determine in what manner members may select or shall be assigned designated exclusive-use cabin or trailer pad sites. All certified exclusive-use and occupancy rights shall belong only to members and may be exercised only by members, their spouses, parents and children, and their guests. The certificates granted by the Association to members governing the use of cabin sites and

trailer pads sites shall incorporate such provisions and conditions as the Governing Board determines appropriate. No exclusive use sites shall in any event be subject to sublease, sale, rental or any commercial exploitation in any manner whatsoever, (with the exception of care taking for and in behalf of member absenteeism).

- C. Improvements Upon Certified Lots. Certificates respecting cabin and trailer sites shall be issued. Such certificates shall be accompanied by restrictions on, and kinds of building and facilities which may be installed, erected and maintained on such sites, all of which shall be pursuant to a uniform plan and (procedure included in the Amended Declaration of Protective Covenants) adopted by the members. All such restrictions shall be uniformly applied and no arbitrary exceptions thereto shall be permitted, (unless authorized by the Governing Board).
- D, Water Connections to Existing Main Water Lines: Under no circumstance shall anyone, including a member or a member's representative, have the authority to cut into any main water lines bringing water into a property. Should construction raise the need for a water connection, repair of an existing water connection or any such other issue related to the water supply, said member shall contact a Board member for guidance and authorization to proceed with any act related to the water supply either on member's site or within Association property. A fine will be levied against said member in the event that this policy is not followed.

SECTION 9. MEMBERSHIP DUTIES

It shall be the duty of each member of the Association to promptly pay, when due, all dues, fees, charges and assessments which he becomes obligated to pay to the Association; to observe and keep all rules and regulations established by the Governing Board regarding the use of the Association's common facilities and properties and to abide by all rules and regulations and provisions of any certificate he may be granted pertaining to an exclusive use cabin site or trailer pad lot, and to abide by all the roles applicable to the use of any such site, and to ensure the same standard of conduct is followed on the part of his family or (his) guests.

The Governing Board shall have the right to impose such fines, penalties and forfeitures upon members, as it shall deem appropriate for any failure to adhere to the foregoing standards of conduct, including expulsion from the Association, and forfeiture of all membership rights. All such fines, penalties and forfeitures shall be applied on a uniform basis. Any and all fines, dues, charges of every kind and nature imposed by the Governing Board shall, if not paid, be added to and become part of dues and assessments fixed by the Governing Board and may be collected in the manner herein below provided for collection of the same.

SECTION 10. DUES AND ASSESSMENTS

- A. Annual General Assessments. The cost of services provided to members of the Association and the general expenses of operation of the Association shall be met by equal, annual

general dues assessments assessed against the members of the Association by the Governing Board.

- B. Special Assessments. The cost of emergency maintenance, or other unforeseen circumstances, may be met by a Special Assessment of up to \$500 per lot per year, at the discretion of the Governing Board. All other Special Assessments require approval by a majority of the members of the Association.
- C. Financial Reporting. At the annual meeting, the Governing Board shall present to the membership:
- 1) A report of the receipts and expenditures of the Association for the preceding twelve (12) months and a statement of the Association's financial condition.
 - 2) Pertinent budget information for the current fiscal year, including:
 - a) The amount of any general assessment proposed to be levied to meet the general costs and expenses, which the Association expects to incur.
 - b) The amount of any special assessments proposed to be charged for special improvements.
- D. Annual Dues. Each member shall be entitled to communicate in writing concerning the budget and proposed general assessments and each member affected shall be entitled to communicate in writing concerning the special assessments that exceeds Governing Board authority. In the event the proposed general assessment for any one year exceeds \$500, if proposed to be assessed on a monthly basis, or \$500 if proposed on an annual basis, the same shall require the approval of two-thirds of the votes entitled to be cast by members present at the meeting, in person or by proxy. Proposed special assessments for improvements benefiting the general membership shall require the approval of the majority of the votes entitled to be cast by the holders of the membership present at the meeting, in person or by proxy.
- E. Levy of Dues--Lien. General assessments shall be met by an equal levy upon each membership. Special assessments shall be met by levies upon each membership. The Association shall encumber all outstanding memberships securing the payment of all general and special assessments and all other sums due or to become due to the Association from members.
- F. Notice of Levy of Dues. Following the annual meeting of members and on or before the first day of April of each year, the Governing Board shall cause the Secretary to mail or email to each member a notice of billing for the amount of the annual general assessment and the amount of any approved special assessment against him and levied against his membership in the Association.
- G. Due Date--Penalty for Delinquency. All annual dues shall be due and payable on or before the first day of May of each year. Special assessments may be assessed in installments in such amounts having such due dates as the Board may provide or as approved by the members. All assessments not paid when due shall be delinquent and a penalty added thereto.

- H. Notice of Delinquency--Notice of Suspension--Termination of Membership. The Governing Board shall cause the Secretary to mail to each member who fails to pay his assessments when due, a notification of delinquency. Any member who fails to pay his assessments within thirty (30) days after notification may therefore be subject to:
- 1) A fine, that if unpaid after fourteen (14) days, will accumulate interest at the rate of eighteen percent (18%) per annum.
 - 2) If the assessment, fine and accumulated interest is unpaid after six months, the water to membership property shall be turned off and other legal rights and privileges pertaining to the membership will be cancelled.

These penalties must be recorded in the minutes of the Board and proper notification of such penalties made in writing to such member. If such member shall thereafter pay the delinquent assessments, fine, interest and penalties, plus the cost of turning on the water, together with any costs or expenses incurred by the Association, then shall he be reinstated to full membership at an appropriate time.

- I. Termination of Membership--Foreclosure of Lien. Thirty (30) days after the Governing Board notifies a member of his suspension, it may proceed to sell such suspended member's membership for the payment of delinquent assessments and any other outstanding charges in any commercially reasonable manner, but in connection therewith, shall mail to such suspended member a notice specifying that the membership has legally been terminated. Any proceeds realized from the sale will be applied first, to the costs of the sale, including legal expenses incurred by the Association in connection with the default, then to the payment of all delinquent assessments and penalties for which the sale was made and then to any other indebtedness of the member to the Association. The balance shall be remitted to the Association and used as deemed necessary for the general benefit of the Association.

SECTION 11. DISSOLUTION

The Association may be dissolved only with the approval of two-thirds of all members of the Association. Written notice of a proposal to dissolve setting forth the reasons therefore and a proposed plan of distribution of the assets of the Association shall be adopted by the Governing Board and mailed to the members at least ninety (90) days in advance of the meeting called to consider the action. The plan of distribution must provide first, for the payment of all debts and the discharge of all obligations of the Association and make adequate provision thereof. It must contain all provisions required by the laws of the State of Utah.

SECTION 12. FISCAL YEAR

The Association's fiscal year shall end September 30th of each year.

SECTION 13. BY-LAWS

The By-Laws of this Association shall be adopted, amended, or repealed by the Governing Board at any meeting of the Governing Board, provided, however, that By-Laws pertaining to the

qualifications, voting rights and property rights of members shall not be amended nor repealed, except by a two-thirds vote of the members present or represented by proxy at a duly called meeting.

All By-Laws of the Association shall be certified by a majority of the directors of the Association and shall be recorded in a book of By-Laws kept in the principal office of the Association and shall not take effect until so recorded. The repeal of any By-Law shall be stated in the book of By-Laws and shall be noted on the margin where such repealed By-Law is set forth by reference to the page where the amendment is found or fact of repeal stated.

