

APPENDIX C

BY-LAWS OF HIDDEN LAKE CONDOMINIUM

I. IDENTITY

These are the By-Laws of Hidden Lake Condominium, duly made and provided for in accordance the Utah Code Annotated Section 57-8-16 (1953 as amended) of the Utah "Condominium Ownership Act".

II. APPLICATION

All present or future owners, tenants, or any other persons who might use the facilities of Hidden Lake Condominium in any manner are subject to the regulations set forth in these By-Laws. The mere acquisition, rental, occupancy, or use of any of said Units or the Common Areas and Facilities will signify that these By-Laws are accepted, ratified, and will be complied with by said persons.

III. ADMINISTRATION OF CONDOMINIUM PROJECT

1. Place of meetings. Meetings of the Unit Owners shall be held in such place within the State of Utah as the Management Committee may specify in the notice, except as herein otherwise specified.

2. Annual Meetings. The annual meetings of the Unit Owners shall be held on the second Tuesday of December of every year, provided that the Management Committee may, by resolution, fix the date of the annual meeting on such date or at such other place as the Management Committee may deem appropriate.

3. Special Meetings. Special meetings of the Association of Unit Owners may be called at any time by written notice signed by a majority of the Management Committee, or by Unit Owners having thirty percent (30%) of the total votes, delivered not less than ten (10) days prior to the date fixed for said meeting. Such meeting shall be held on the Project or such other place as the Management Committee may specify and the notice thereof shall state the date, time and matters to be considered.

4. Notice of Meeting. Written notice stating the place, day and hour of any meeting shall be delivered, either personally or by mail, to each Residential Unit Owner entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting. If delivery is by mail, it shall be deemed to have been delivered twenty-four hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to each Residential Unit Owner at the address given by such person to the Management Committee or the manager for the purpose of service of such notice or to the Unit of such person if no address has been given. Such address may be changed from time to time by notice in writing to the Management Committee or manager.

In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

5. Quorum. At any meeting of the Unit Owners, the Owners of more than fifty percent (50%) of the Residential Units shall constitute a quorum for any and all purposes, except where by express provisions a greater vote is required, in which event a quorum shall be the number requisite for such vote. In the

absence of a quorum, the chairman of the meeting may adjourn the meeting without notice other than by announcement at the meeting, until holders of the amount of interest requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at all meetings as originally notified.

The chairman may reschedule the meeting to a time not less than two (2) days nor more than thirty (30) days from the time the original meeting was called. The presence in person or by proxy of one-third (1/3) of all Residential Unit Owners shall constitute a quorum at the rescheduled meeting, except where by express provisions a greater vote is required, in which event a quorum shall be the number requisite for such vote.

6. Voting. When a quorum is present at any meeting, the vote of Unit Owners representing more than fifty percent (50%) of the Residential Units present in person or represented by proxy, shall decide any question of business brought before such meeting, including the election of the Management Committee, unless the question is one upon which, by express provision of the Act, Declaration or By-Laws, a different vote is required, in which case, such express provision shall govern and control the decision of such question. All votes may be cast either in person or by proxy.

Proxies shall be in writing, and in the case of proxies for the annual meeting, they shall be delivered to the secretary at least five (5) days prior to said annual meeting. Proxies for special meetings must be of record with the secretary at least two (2) days prior to said meeting. At all meetings of Residential Unit Owners, each Residential Unit Owner may vote in person or by proxy. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his or her Residential Unit or upon receipt of notice by the Secretary of the Management Committee of the death or judicially declared incompetence of a Residential Unit Owner or upon the expiration of eleven (11) months from the date of the proxy. A form of proxy or written ballot may provide an opportunity to specify approval or disapproval with respect to any proposal.

7. Waivers of Notice. Waiver of notice of meeting of the Residential Unit Owners shall be deemed the equivalent of proper notice. Any Residential Unit Owner may, in writing, waive notice of any meeting of the Unit Owners, either before or after the meeting. Attendance at a meeting, in person or by proxy, shall be deemed waived by such Residential Unit Owner of the notice of the time, date and place thereof, unless such Residential Unit Owner specifically objects to lack of proper notice at the time the meeting is called to order.

8. Action Without a Meeting. Any action required by law to be taken at a meeting of the Association, or any action which may be taken at a meeting of the Association, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Residential Unit Owners required to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a requisite vote of the Residential Unit owners.

#### IV. MANAGEMENT COMMITTEE

1. Purpose and Powers. The business, property and affairs of the Condominium Project shall be managed and governed by its Management Committee.

2. Composition of Management Committee. The Committee shall be composed of five members whose terms shall each be for two years. Three Committee members shall be elected at the annual meeting in December 1995 and the other two members shall be elected at the annual meeting in December 1996. At each annual Unit Owners meeting thereafter, any vacant seat on the Committee shall be filled with a member elected for a two-year term. Only Residential Unit Owners and officers and agents of Residential Unit Owners other than individuals shall be eligible for Committee membership. At the annual meeting, each Unit Owner, in person or by proxy may cast, with respect to each vacancy, one vote per Residential Unit owned. The persons receiving the largest number of votes shall be elected. Any Committee member who fails on three successive occasions to attend Committee meetings (whether regular or special), or who has failed to attend at least 25% of all Committee meetings (whether regular or special) held during any 12-month period, or who is voted out by at least a majority of the Residential Unit Owners at a regular or special meeting shall automatically forfeit his seat. In the event of a vacancy, a majority of the remaining Committee members (even though such remaining members may consist of less than a quorum) shall elect a replacement to sit on the Committee until the expiration of the term for which the member being replaced was elected. Unless he forfeits his seat as herein provided, a member shall serve on the Committee until his successor is elected and qualifies.

3. Regular Meetings. A regular annual meeting of the Management Committee shall be held immediately after the adjournment of each annual Unit Owner's meeting or at such other time as may be convenient. Regular meetings, other than the annual meetings, shall or may be held at regular intervals at such places and at such times as either the president or the Management Committee may from time to time designate.

4. Special Meetings. Special meetings of the Management Committee shall be held whenever called by the president, the vice-president, or by three or more members. By unanimous consent of the Management Committee, special meetings may be held without call or notice at any time or place.

5. Quorum. A quorum for the transaction of business at any meeting of the Management Committee shall consist of a majority of the members of the Management Committee then in office.

6. Compensation. Members of the Management Committee, as such, shall not receive any stated salary or compensation; provided, however, that nothing herein shall be construed to preclude any member of the Management Committee from serving the Project in any other capacity and receiving compensation therefore.

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

8. Adjournments. The Management Committee may adjourn any meeting from day to day or for such other time as may be prudent or necessary, provided that no meeting may be adjourned for longer than thirty (30)

days.

#### V. OFFICERS

1. Designation and Election. The principal officers of the Management Committee shall be a president, a vice-president, a secretary, and a treasurer, all of whom shall be elected by and from the Management Committee. Each officer must be a member of the Management Committee. A member may fill more than one office although the President may not also be the Secretary. The Management Committee may appoint an assistant secretary, an assistant treasurer and such other officers as in its judgment may be necessary or desirable. Such election or appointment shall regularly take place at the first meeting of the Management Committee immediately following the annual meeting of the Unit Owners; provided, however, that elections of officers may be held at any other meeting of the Management Committee.

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

3. Removal of Officers and Agents. All officers and agents shall be subject to removal, with or without cause, at any time by the affirmative vote of the majority of the then members of the Management Committee. An officer removed shall remain a member of the Management Committee unless otherwise removed by the affirmative vote of at least a majority of the Residential Unit Owners.

4. Resignation. Any officer may resign at any time by giving written notice to the Management Committee, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective.

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

6. Vice President. The vice-president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president or the vice-president is able to act, the Management Committee shall appoint some other member thereof to do so on an interim basis. The vice-president shall also perform such other duties as shall from time to time be prescribed by the Management Committee.

7. Secretary. The secretary shall keep the minutes of all meetings of the Management Committee and

of the Unit Owners; he shall have charge of the books and papers as the Management Committee may direct; and he shall in general, perform all the duties incident to the office of secretary.

8. Treasurer. The treasurer shall have the responsibility for the funds and securities of the Management Committee and shall be responsible for keeping full and accurate accounts of all receipts of all disbursements in books belonging to the Management Committee. He shall be responsible for the deposit of all monies and all other valuable effects in the name, and to the credit of, the Management Committee in such depositories as may be from time to time designated by the Management Committee.

9. Liens. Each officer or any designated agent shall have the authority to sign Notices and Releases of Lien or related documents.

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

#### VI. ACCOUNTING

1. Books and Accounts. The books and accounts of the Management Committee shall be kept under the direction of the treasurer and in accordance with generally accepted accounting practices.

(a) Inspection by Members. The membership register, books of account, and minutes of meetings of the members and the Management Committee shall be made available for inspection and copying by any member of the Association or by his duly appointed representative at any reasonable time and for a purpose reasonably related to his interest as a member at the office of the Association or at such other place as the Management Committee shall prescribe.

(b) Rules for Inspection. The Management Committee shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records by the member desiring to make the inspection;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing copies of documents requested by a member.

(c) Inspection by Management Committee. Every member shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Management Committee member includes the right to make extracts and copies of documents at the expense of the Association.

2. Report on Audit. Unless thirty-five percent (35%) of the Residential Unit Owners request audited financial statements of the Association books and records, the Management Committee annually shall prepare or have prepared, in its sole discretion, a compiled financial statement, reviewed financial statement or an audit. This report shall be made available to the Unit Owners before April 1st of each year.

#### VII. BUILDING RULES

The Management Committee shall have the power to adopt and establish, by resolution, such building, management and operational rules and regulations as it may deem necessary for the maintenance, operation, management and control of Hidden lake Condominium. The Management Committee may from time to time, by resolution, alter, amend and repeal such rules and regulations. Unit Owners and occupants, their families, friends, guests and invitees shall at all times obey such rules and regulations. Provisions of the Utah Condominium Ownership Act and the Declaration pertaining to rules and regulations are incorporated herein by reference and shall be deemed a part hereof.

#### VIII. AMENDMENT OF THE BY-LAWS

These By-Laws may be altered, amended or repealed at any regular or special meeting of the Unit Owners at which a quorum is present or represented by proxy by an affirmative vote of at least two-thirds (2/3) of the Residential Units. Provided that as a condition of any such alteration, amendment or repeal, written notice of the proposed alterations, amendment or repeal shall be given to all Unit Owners at least ten (10) days in advance in the case of a regular meeting and in the written notice transmitted in the case of a special meeting.

#### IX. OPERATION AND MAINTENANCE OF CONDOMINIUM PROJECT

The Management Committee shall be responsible for the maintenance, control, operation and management of this Condominium Project in accordance with the provisions of the Utah Condominium Ownership Act, the Declaration under which the Condominium Project was established and submitted to the provisions of said Act, these By-Laws and such other rules and regulations as the Association of Unit Owners may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by the Management Committee.

#### X. CONFLICTS

If there are conflicts or inconsistencies between the Declaration and By-Laws, the language in the Declaration shall control.

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SECRETARY - Marlene York

HIDDEN LAKE CONDOMINIUM HOMEOWNERS  
ASSOCIATION, INC.