

**BYLAWS
OF
PARADISE CANYON HOMEOWNERS ASSOCIATION**

ARTICLE 1 - NAME AND LOCATION

The name of the corporation is **Paradise Canyon Homeowners Association**, hereafter referred to as the Association.

The principal office of the Association shall be at 1145 Roadrunner Drive, St. George, Utah, until changed by resolution of the Board of Trustees but meetings of Members and Trustees may be held at such places within the state of Utah as may be designated by the Board of Trustees.

ARTICLE 2 - DEFINITIONS

Section 2.1 Association means Paradise Canyon Homeowners Association, its successors and assigns.

Section 2.2 Declaration means the Declaration of Covenants, Conditions and Restrictions of Paradise Canyon and any amendments thereto.

Section 2.3 Plat or Map means the subdivision Plat recorded with the Declaration captioned "Paradise Canyon Phase I," or any replacements thereof, or additions thereto.

Section 2.4 Property or Properties means all real Property subject to the Declaration.

Section 2.5 Common Area means that portion of Property owned by the Association, shown on the Plat as dedicated to the common use and enjoyment of the Owners.

Section 2.6 Limited Common Area means that portion of Property owned by the Association, shown on the Plat as dedicated to the exclusive use and enjoyment of the Owner of the Lot to which such Limited Common Area is adjacent and/or appurtenant. Limited Common Area is subject to rights of the Association set forth in this Declaration.

Section 2.7 Lot means a separately numbered and individually described plot of land shown on the Plat designated for private ownership, but specifically excludes the Common and Limited Common Areas.

Section 2.8 Townhome means a single family dwelling, with or without walls or roofs in common with other single family dwelling Lots. "Townhome" includes fee title to the real Property lying directly beneath the single family dwelling, within Lot boundary lines.

Section 2.9 Owner means the entity, person, or group of persons owning fee simple title to any Lot which is within the Properties. Regardless of the number of parties participating in ownership of each Lot, the group of those parties shall be treated as one "Owner."

Section 2.10 Member means every person or entity who holds membership in the Association. Every Member is an Owner, and every Owner is a Member.

Section 2.11 Entire Membership means all Members, regardless of class of membership. When a vote of the Entire Membership is referenced it means all potential votes for both Class A and Class B members.

Section 2.12 Trustees means the governing body of the Association.

Section 2.13 Declarant means S & S Construction, Inc., dba S & S Homes, and the Declarant's heirs, successors and assigns.

ARTICLE 3 - MEMBERSHIP AND VOTING RIGHTS

Section 3.1 Membership Every Owner is a Member of the Association. The term "Owner" includes contract purchasers but does not include persons who hold an interest merely as security for the performance of an obligation unless and until title is acquired by foreclosure or similar proceedings. Membership is appurtenant to and may not be separated from Lot ownership. Membership in the Association automatically transfers upon transfer of title by the record Owner to another person or entity.

Section 3.2 Voting Rights The Association has two classes of voting membership: CLASS A. Class A Members shall be all Owners with the exception of the Declarant, as defined in the Declaration. Class A Members are entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, the group of such persons shall be a Member. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. A vote cast at any association meeting by any of such co-Owners, whether in person or by proxy, is conclusively presumed to be the vote attributable to the Lot concerned unless written objection is made prior to that meeting, or verbal objection is made at that meeting, by another co-Owner of the same Lot. In the event an objection is made, the vote involved shall not be counted for any purpose except to determine whether a quorum exists.

CLASS B. The Class B Member shall be the Declarant (as defined in the Declaration), and shall be entitled to five (5) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (a) upon conveyance of seventy-five percent (75%) of Lots to purchasers; or
- (b) the expiration of seven (7) years from the first Lot conveyance to a purchaser; or
- (c) the surrender of Class B membership status by the express written action of the Declarant. In the case of expansion (as provided under the Declaration) the Declarant's memberships appurtenant to the Lots in the expansion area shall be Class B memberships.

In the case of expansion (as provided under Article 10 of the Declaration) the Declarant's memberships appurtenant to the Lots in the expansion area shall be Class B memberships.

If Declarant exercises its option to add additional Lots by platting additional phases, then at such time as additional subdivision plats are filed, the voting shall be adjusted accordingly, so that Declarant regains Class B voting status for all Lots owned, even if previously converted to Class A status in prior phases and according to the terms hereof.

Section 3.3 Qualification for Membership No person, persons, entity or entities shall exercise the rights of membership until satisfactory proof has been furnished to the secretary of the Association of qualification as a Member, or nominee of a Member, pursuant to the terms of the Articles of Incorporation and the Bylaws. Such proof may consist of a copy of a duly executed and acknowledged warranty deed or title insurance policy showing said person, persons, entity or entities, or the person nominating him qualified in accordance therewith, in which event said deed or title insurance policy shall be deemed conclusive evidence in the absence of a conflicting claim based upon a later deed or title insurance policy.

Section 3.4 Suspension of Membership The rights of membership are subject to the payment of annual

and special assessments levied by the Association. If a Member fails to make payment of any annual or special assessment levied by the Association within thirty (30) days after the same shall become due and payable the voting rights of such Member may be suspended by the Board of Trustees until such assessment has been paid. Rights of a Member may also be suspended for violation of any of the use restrictions. Rights of a Member also may be suspended after notice and hearing, for infraction of any published rules and regulations established by the Board of Trustees governing the use of the services, facilities or equipment of the Association, for a period not to exceed sixty (60) days.

ARTICLE 4 - MEETINGS OF MEMBERS

Section 4.1 Annual Meetings The first annual meeting of the Members for the election of Trustees, the presentation of the annual financial report of the Association and for the transaction of such other business as the Board of Trustees may determine, shall be held at such time and place as may be designated by Declarant. Each subsequent annual meeting of the Members shall be held on _____, at the hour of __:__ .m., unless the Trustees, by resolution, direct otherwise. If the day of the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour of the first day following which is not a legal holiday.

Section 4.2 Special Meetings Special meetings of the Members may be called at any time by the President or by the Board of Trustees, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes.

Section 4.3 Notice of Meetings Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least thirty (30) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association. Such notice shall specify the place, date and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4.4 Waiver of Notice The notice provided for hereinabove is not indispensable and any meeting of the Members shall be deemed validly called for all purposes if all Members are represented thereat in person or by proxy, or if a quorum is present and waivers of notice of time, place and purpose of such meeting shall be duly executed in writing either before or after said meeting by those Members not so represented or not given such notice. The attendance of any Member at a meeting in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by that Member.

Section 4.5 Quorum Except as hereafter provided, and as otherwise provided in the Articles of Incorporation or Declaration, the presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of all the votes of each class of membership shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

In case of a meeting to change the basis and maximum of assessments, to make assessments in excess of said maximum, or to levy a special or additional assessment, as those assessments are defined in the Declaration, presence at the meeting of Members, or of proxies, entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at such a meeting, another meeting may be called, subject to the notice requirement set forth above and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days

following the preceding meeting.

Section 4.6 Proxies At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary prior to the meeting for which the proxy is valid. Every proxy shall be revocable and shall automatically cease upon conveyance of a Lot by the Member.

Section 4.7 Voting If a quorum is present, the affirmative vote of the majority of the Members represented at the meeting shall be the act of all the Members, unless the act of a greater number is expressly required by law, by the Declaration, or by the Articles of Incorporation of the Association or elsewhere in these Bylaws. Upon direction of the presiding officer, the vote upon any business before a meeting shall be by ballot, but otherwise any such vote need not be by ballot.

Section 4.8 Procedure The order of business and all other matters of procedure at every meeting of Members shall be determined by the presiding officer.

ARTICLE 5 - BOARD OF TRUSTEES: SELECTION: TERM OF OFFICE

Section 5.1 Number The affairs of this Association shall be managed by a Board of three (3), five (5) or seven (7) Trustees, the number of persons constituting the whole Board of Trustees to be fixed from time to time by resolution of the Board of Trustees. The Trustees must be Members of the Association or in the case of multiple co-Owners or Owners not natural persons, their designees, unless the Declarant has Class B membership, in which event Trustees need not be members of the Association.

Section 5.2 Term of Office At each annual meeting, the Members shall elect Trustees for terms of two (2) years, with an odd number of Trustees (at least two less than the entire Board) elected in odd-numbered years and an even number of Trustees elected in even-numbered years. In the initial election of Trustees, the method of election shall provide that the term of an odd number of trustees (at least two less than the entire Board) shall expire in the next odd numbered year, and the term of an even number of trustees shall expire in the next even numbered year.

Section 5.3 Removal Any Trustee may be removed from the Board with or without cause, by a majority vote of the Members of the Association and any Trustee who shall be absent from three (3) consecutive Board meetings shall be automatically removed from the Board unless determined otherwise by the Board. In the event of death, resignation or removal of a Trustee, a temporary successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor or until special election of a successor.

Section 5.4 Compensation No Trustee shall receive compensation for any service he may render to the Association. However, any Trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE 6 - NOMINATION AND ELECTION OF TRUSTEES

Section 6.1 Nomination Nomination for election to the Board of Trustees shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of Members. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Trustees, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Trustees at least sixty (60) days prior to each annual meeting of the Members, to serve through such annual meeting. The nominating committee shall make as many nominations for election to the Board of Trustees as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 6.2 Election Election to the Board of Trustees shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation and these Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 6.3 Voting by Mail Election of Trustees may be handled by mail voting in the following manner, which may be, at the determination of the Board, the sole method of voting or used in conjunction with in-person voting. Ballots shall be sent to each Member by the corporate secretary not more than sixty (60) days and not fewer than thirty (30) days before the date set for election. Ballots shall instruct Members to seal their ballot in a ballot envelope and then place the sealed envelope into a larger envelope along with a signed paper, provided by the secretary, identifying the Member whose vote is contained in the inner envelope. Ballots may be delivered to the secretary in person or by mail. Upon receiving the ballots, the corporate secretary shall open the outer envelope, remove the identification paper and record which Members have voted. The identification paper and outer envelope shall then be separated from the ballot envelope. The ballot envelope shall be retained by the secretary until opened on the election date.

Section 6.4 Appointment by Declarant. If the Declarant has Class B Membership, the Declarant shall appoint the Trustees.

ARTICLE 7 - MEETINGS OF TRUSTEES

Section 7.1 Regular Meetings The first meeting of the Board of Trustees will follow the annual meeting of the Members. Thereafter, regular meetings of the Board of Trustees shall be held at such date, time and place as may be determined from time to time by resolution of the Board of Trustees. Written notification of each regular Board meeting shall be delivered or mailed to all Trustees at least seven (7) days prior to any regular Board meeting. Meetings of the Board shall be open to all Members, unless litigation or potential litigation, contract negotiation or employment or personnel matters are being discussed.

Section 7.2 Special Meetings Special meetings of the Board of Trustees shall be held when called by the President of the Association or by any two (2) Trustees, after not less than two (2) days' notice to each Trustee.

Section 7.3 Quorum A majority of the number of Trustees shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Trustees present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board, unless a greater number is required by law, the Articles of Incorporation or these Bylaws.

Section 7.4 Action Without a Meeting Whenever the Trustees are required or permitted to take any action by vote, such action may be taken without a meeting on written, consent, setting forth the action so taken, signed by all Trustees.

ARTICLE 8 - POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 8.1 Powers The Board of Trustees shall have power to:

- (a) adopt and publish rules and regulations governing the use of the equipment and facilities of the Association and to establish reasonable admission and other fees for the use thereof;

- (b) suspend the voting rights and any other rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association or in violation of any of the use restrictions. Such rights may also be suspended for infraction of any published rules and regulations, after notice and hearing, for a period of not to exceed sixty (60) days;
- (c) employ a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties;
- (d) borrow money for the purpose of improving the Common Area, and in aid thereof to mortgage said Property, such mortgage to be subordinate to the rights of the Owners;
- (e) with the approval of sixty-seven percent (67%) of first mortgagees on Lots and sixty-seven percent (67%) of the Entire Membership, to sell, exchange, hypothecate, alienate, encumber, dedicate, release or transfer all or part of the Common Area to any private individual, corporate entity, public agency, authority or utility;
- (f) enter into agreements or leases which provide for use of the Common Areas and facilities by a similar Association in consideration for use of the Common Areas and facilities of the other Association, or for cash consideration;
- (g) grant easements for public utilities or other public purposes consistent with the intended use of the Common and Limited Common Area;
- (h) levy and collect assessments as more fully outlined in the Declaration;
- (i) purchase insurance as outlined in the Declaration;
- (j) appoint an Architectural Control Committee;
- (k) appoint arbitrators to resolve party wall disputes;
 - a. exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Articles of Incorporation or Declaration;
- (l) enforce and administer the Declaration recorded as affecting the Properties.
 - a. Section 8.2. Duties It shall be the duty of the Board of Trustees to:
- (m) act within thirty (30) days upon any request for approval or disapproval submitted pursuant to the Declaration;
- (n) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-half (1/2) of the Members who are entitled to vote;
- (o) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (p) prepare a roster of the Properties and the assessments applicable thereto;
- (q) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
- (r) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- (s) foreclose the lien against any Property for which assessments are not paid within thirty (30) days after due date or bring an action at law against the Owner personally obligated to pay the same;
- (t) furnish a certificate upon demand, and for a reasonable charge, signed by an officer of the Association setting forth whether the assessment on a specified Lot has been paid;
- (u) maintain an adequate reserve fund for maintenance, repairs, and replacement of any elements of the common or Limited Common Areas which must be replaced on a regular basis.

ARTICLE 9 - OFFICERS AND THEIR DUTIES

Section 9.1 Enumeration of Offices The officers of this Association shall be a President and Vice-President, who shall at all times be Members of the Board of Trustees, a secretary and a treasurer, who

need not be Members of the Board of Trustees nor of the Association, and such other officers as the Board may from time to time create by resolution.

Section 9.2 Election of Officers The election of officers shall take place at the first meeting of the Board of Trustees following each annual meeting of the Members.

Section 9.3 Term The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless the officer shall sooner resign, or be removed, or otherwise be disqualified to serve.

Section 9.4 Special Appointments The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 9.5 Resignation and Removal Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving notice to the Board, or any officer of the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise necessary to make it effective.

Section 9.6 Vacancies A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer being replaced.

Section 9.7 Multiple Offices The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special office created pursuant to Section 4 of this Article.

Section 9.8 Duties The duties of the officers are as follows:

- (a) PRESIDENT The president shall preside at all meetings of the Board of Trustees; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.
- (b) VICE-PRESIDENT The vice-president shall act in the place and stead of the president in the event of absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.
- (c) SECRETARY The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and the Association together with their addresses, and shall perform such other duties as required by the Board.
- (d) TREASURER The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by resolution of the Board of Trustees; sign all checks and promissory notes of the Association; maintain a roster of Properties, assessments and payments; keep proper books of account; issue certificates of payment of assessments; notify the Trustees of Members who are delinquent in paying assessments and prepare an annual budget and statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of the budget and statement to the Members at said meeting.

Section 9.9 Compensation No salary or other compensation for services shall be paid to any officer of the Association for services rendered by such officer, but this shall not preclude an officer of the Association from performing any other service for the Association as an employee and receiving compensation therefor.

ARTICLE 10 - FINANCIAL MATTERS

Section 10.1 Depositories The Board of Trustees shall select such depositories as it considers proper for the funds of the Association. All checks and drafts against such deposited funds shall be signed and countersigned by persons specified by the Board or in these Bylaws.

Section 10.2 Contracts; Management Contract The Board of Trustees may authorize any officer or officers, agent or agents, in addition to those specified in these Bylaws, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board of Trustees, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or render it liable for any purpose or for any amount.

Section 10.3 Fiscal Year The fiscal year of the Association shall be determined by the Board of Trustees of the Association.

Section 10.4 Annual Report The Board of Trustees shall present at the annual meeting of the Members the report of the treasurer, giving the annual budget and a statement of income and expenses, and a report of other affairs of the Association during the preceding year. The Board of Trustees shall provide all Members, at the expense of the Association, copies of said annual budget and statement of income and expense.

Section 10.5 Books and Records The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE 11 - INDEMNIFICATION OF TRUSTEES AND OFFICERS

Each Trustee and officer of the Association now or hereafter serving as such shall be indemnified by the Association against any and all claims and liabilities to which he has or shall become subject while or after serving by reason of serving as Trustee or officer, or by reason of any action alleged to have been taken, omitted, or neglected by him as such Trustee or officer; and the Association shall reimburse each such person for all legal expenses reasonably incurred by him in connection with any such claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for any expense incurred in connection with, any claim or liability arising out of his own willful misconduct or gross negligence.

The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any Trustee or officer of the Association may otherwise be entitled by law.

ARTICLE 12 - COMMITTEES

Section 12.1 Architectural Control Committee An Architectural Control Committee composed of three or more representatives may be appointed by the Trustees.

Section 12.2 Additional Committees In addition, the Board of Trustees may appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE 13 - CORPORATE SEAL

The Association shall have a seal in a circular form having within its circumference the words "Paradise Canyon Homeowners Association," the year of its incorporation, and a notation that the Association is Non-Profit.

ARTICLE 14 - RULES AND REGULATIONS

The Board of Trustees shall have the power to adopt and establish by resolution such rules and regulations as it may deem necessary for the maintenance, operation, management and control of the Property, equipment, facilities and utility systems of the Association. The Board of Trustees may alter from time to time such rules and regulations. The Members shall at all times obey such regulations and use their best efforts to see that they are faithfully observed by the persons with whom they reside, their lessees, invitees and others over whom they may exercise control or supervision. The Trustees may levy a fine or penalty not to exceed 10% of the amount of the maximum annual assessment against any Owner who fails to refrain from violation of the Declaration or a rule of the Association, after three (3) days written notice.

ARTICLE 15 - AMENDMENTS

Section 15.1 Amendments These Bylaws may be altered, amended, repealed or added to by the vote of the Board of Trustees of the Association at any regular meeting of said Board or at a special meeting called for that purpose. These Bylaws and any amendments thereto may be amended, altered or replaced by the Members at any annual or special meeting of the Members.

Section 15.2 Conflicts In case of any conflict between the Declaration, the Articles of Incorporation or these Bylaws, the Declaration shall be of primary authority, the Articles of Incorporation secondary and the Bylaws subject thereto.

NOTATION OF CORRECTION

As of September 5, 2008 any reference to Paradise Canyon Owners Association has been changed to Paradise Canyon Homeowners Association. Our association has been recorded with the State of Utah as Paradise Canyon Homeowners Association.

Jeremy Leonard, President
Paradise Canyon Homeowners Association – Board of Directors/Trustees