

Second Amended & Restated Bylaws of The Solamere/Oaks Swim and Tennis Club Inc. A Nonprofit Organization

Pursuant to the provisions of the Utah Revised Nonprofit Corporation, the Board of Trustees of the Solamere/Oaks Swim & Tennis Club, Inc., hereby adopts the following Amended & Restated Bylaws this ____ day of _____, 2013.

Section 1 - Name, Principal Office, Fiscal Year

- 1.1. Name: The name of the Corporation is “The Solamere/Oaks Swim and Tennis Club, Inc.,” also herein referred to as the “Club” or the “Corporation”.
- 1.2. Office and Principal Place of Business: The office and principal place of business of the Corporation is located at the Swim and Tennis Club, 2400 Solamere Drive, Park City, Utah 84060. Nothing contained herein shall prevent the office from being located at any other place in Park City, Utah.
- 1.3. Fiscal Year: The fiscal year of the Corporation shall be from January 1 to December 31.

Section 2 - Membership

- 2.1 Definitions.
 - 2.1.1 Definition of Membership: “Membership” shall include those Members who are Initial Members and those Members who are New Members. Membership shall be appurtenant to the Lot or Unit and shall not be separated from the Lot or Unit to which it appertains.
 - 2.1.2 Definition of Person: A “Person” is a natural individual, a corporation, a limited liability company, partnership or any other entity with the legal right to hold title to real property.
 - 2.1.3 Definition of Lot or Unit: A “Lot” or “Unit” is a lot or condominium unit located in a development or subdivision in the Deer Valley area of Park City, Utah, according to the official plat and records of the Summit County, Utah, Recorder’s office.
 - 2.1.4 Definition of Member: A “Member” shall be any Person holding an Initial Membership or a New Memberships in the Club who is the owner of record of a Lot or Unit. Collectively, Initial Members and New Members are referred to herein as Members.
 - 2.1.5 Definition of a Family Member: A “Family Member” is a spouse or domestic partner, child and/or stepchild of the Member.

- 2.1.6 Partnerships, Corporations and Trusts: If a Lot or Unit is owned by more than one natural individual, or by a Partnership, Corporation, Trust, or any entity other than one Person, then such Person shall designate one individual or entity as the Managing Member and notify the Club, in writing, prior to the Person's use of the Club's facilities.
- 2.1.7 Additional Usage by Co-owners: If a Lot or Unit is owned by more than one natural individual, or by a Partnership, Corporation or Trust, or any entity other than one Person, the other individual, partner, members of the corporation or trust, or member of any entity owning an interest in the Lot or Unit, may utilize the Association's facilities by also paying the Annual Dues as set forth herein. Such additional payment of Annual Dues shall not be deemed to create an additional Membership in the Association.

2.2 Types of Membership: There shall be one class of Membership in the Corporation. The previous distinction in classes, Equity and Proprietary or Non-Equity and Non-Proprietary, here hereby withdrawn. There are two (2) types of Memberships, Initial Memberships and New Memberships as defined below:

2.2.1 Initial Memberships: In the initial stages of the Corporation, two hundred twenty-one (221) initial Memberships in the Corporation were granted to Owners of, according to the official plats of those subdivisions recorded in the office of the Summit County Recorder's Office, which include the following:

- 2.2.1.1 All one hundred twelve (112) lots in the Solamere Subdivisions No's. 1 and 2a;
- 2.2.1.2 All ninety-seven (97) lots in The Oaks at Deer Valley Subdivision; and
- 2.2.1.3 All twelve (12) lots in the Morningstar Estates Subdivision;

Collectively, the memberships set forth in this Section 2.2.1 are referred to as "Initial Memberships."

All Initial Memberships are appurtenant to the respective Lots or Units. As with all Memberships, when there is a transfer of title of the Lot, the Membership shall automatically pass to the new Owner of the Lot and the Membership privileges accorded the transferring Owner shall be revoked. Memberships are not transferable and do not descent or devise. Those Persons holding Initial Memberships shall be referred to as "Initial Members."

2.2.2 New Memberships: There are five (5) Existing Memberships purchased by Owners of Lots within the Royal Oaks Subdivision (Phases 1 and 2) ("Royal Oaks") and the Hidden Oaks Subdivision (Phases 1A, 1B, 2 and 3) ("Hidden Oaks"). Owners of Lots or Units within Royal Oaks and Hidden Oaks who are not currently members, may become members by paying the Membership Fees then in force. Additionally, the Board, from time to time, may identify and extend invitations and/or market memberships to owners of real property located in the Deer Valley area of Park City, Summit County, Utah. Any Members from Royal Oaks,

Hidden Oaks, and those owners of real property in the Deer Valley area of Park City, Summit County, Utah who have accepted invitations to join the Association are collectively referred to herein as “New Memberships”. The maximum number of total Memberships in the Corporation shall be two hundred ninety-one (291). The Membership Fees then in force shall apply to New Memberships. All New Memberships shall be and are appurtenant to the Lots or Units owned by the Owners who purchase New Memberships, and shall pass with and cannot be separated from such Lots or Units. When there is a transfer of title of the Lot or Unit, the Membership shall automatically pass to the new Owner of the Lot or Unit and the Membership privileges accorded the transferring Owner shall be revoked. Memberships are not transferable and shall not descent or devise. Those Persons holding New Memberships shall be referred to as “New Members.”

- 2.3 Rights of Membership. Members shall be entitled to full use of the Corporation’s facilities, subject to and in compliance with the Corporation's House Rules in existence from time to time as adopted by the Board of Trustees. Members shall hold an interest in the Corporation’s property. Such Memberships are appurtenant to a Lot or Unit and shall be transferred with the Lot or Unit as hereunder provided. Family Members shall be allowed to use the Club facilities under the same conditions as Members.
- 2.4 Contractual Obligation: At the time a Member accepts their Membership in the Club, the Membership creates a binding contractual obligation between him and the Corporation, which is conclusively presumed to have unconditionally assented to the Articles of Incorporation, By-Laws and House Rules of the Club, as then in force, or thereafter duly promulgated, including, but not limited to, the responsibility to pay fees and dues established thereunder, within thirty (30) days of an invoice date. The circumstances leading to Membership, either as the Initial Memberships, a Person accepting a deed of a Lot or Unit from a transferring Owner, or New Memberships, shall not restrict, expand or affect the contractual rights or obligations of Membership. Owners of multiple Lots or Units shall have one (1) Membership per Lot and shall be obligated to pay dues for each Membership even if the Lots have been combined in some way.

Section 3 - Fees and Dues

- 3.1. Membership Fees: The Board, in its sole and absolute discretion, shall charge a membership fee (“Membership Fee”) for any New Membership or for an Initial Membership for an Owner who was not a member prior to March 22, 2012. Thereafter, Membership Fees shall be determined by resolution of the Board of Trustees, in their sole and absolute discretion.
- 3.2. Annual Dues: The annual Membership dues (“Annual Dues”) shall be established each year by resolution of the Board of Trustees based upon a pro rata share of each Member in relation to the Corporation’s projected annual budget, capital assessments and any necessary and prudent reserves. Owners of multiple Lots or Units shall have one (1) Membership per Lot and shall be obligated to pay Annual Dues for each Membership even if the Lots have been combined in some way. Annual Dues shall be invoiced by

April 1st of each year and shall be due 30 days of the invoice date.

3.2.1. Invoicing to Homeowners Associations: Invoices for the Annual Dues for Initial Memberships, those Members whose homeowners association governing their Lot or Units have committed to paying the Members' Annual Dues on the Members' behalf or those Members located within a subdivision who have nominated an agent to receive the billings on the Members' behalf, shall be sent to the respective homeowners associations or designated agents. An invoice served upon a Members' homeowners association as referenced herein shall constitute service of the invoice upon the Member. The Corporation shall have no obligation to send individual invoices in these circumstances.

3.2.2. Invoicing to Individual Members. Those Members whose homeowners associations have not committed to paying the Members' Annual Dues on behalf of the Members, shall be invoiced directly for such Annual Dues and such invoices shall be due and payable immediately upon receipt thereof. Annual Dues shall be payable by Individual Members directly to the Corporation.

3.2.3. Accounting Fee: The Corporation may charge a reasonable accounting fee, which may be added to all Annual Dues invoices for each billing address.

3.3. Non-Member Use of Club Prohibited: Use of the Club is restricted to Members, their Family Members and Guests. Non-Members are not permitted to use the Club and any of its facilities

3.4. Use of Fees: In addition to Membership fees, all moneys received by the Corporation, including, but not limited to, Annual Dues, Special Assessments, Member Group Function Permit fees, Tennis Court Key fees, Commissions and Commissary proceeds shall be deposited in the Corporation's bank account(s) and may be used for any Corporate purpose, in the same manner as any other funds or revenues received by the Corporation.

3.5. Members Responsibility for Debts: Each Member shall be responsible to the Corporation for any debts incurred or damage caused by the Member, the Member's Family Members or Guests to the Corporation's facilities.

3.6. Continuance of Dues: A Member shall be responsible for and continue to pay dues until such time as the Lot or Unit to which the Membership is appurtenant is transferred or sold to another party regardless of whether a residence has been constructed on the Lot or Unit or whether the property is listed for sale.

3.7 Delinquent Members. All dues and charges shall be due and payable upon receipt of invoice therefor from the Corporation. An invoice served upon a Members' homeowners association referenced in section 3.2.1 shall constitute service of the invoice upon the Member. An invoice sent to an individual Member referenced in section 3.2.2 shall constitute service upon the Member three (3) days after the Corporation's deposit of the same in the U. S. Mail, postage prepaid, to the address provided by the Member to the Corporation. The Board shall

charge a late charge not to exceed fifty dollars (\$50) per month, to apply to unpaid indebtedness to the Corporation. If such indebtedness remains unpaid for thirty (30) days after invoicing, the privilege of use of the Corporation's facilities, the Member's voting rights and the Member's eligibility to serve on the Corporation's Board of Trustees, shall be suspended until such indebtedness, together with late charges, is paid in full. Dues shall continue to be payable during any period of suspension, unless otherwise ordered by the Board of Trustees. While any delinquent Member is suspended, such Member may be reinstated by the Board of Trustees upon payment at that time of the Member's total indebtedness, which shall include the payment of dues during the suspension, together with any late charges. If any member is delinquent for more than ninety (90) days after the invoice date of the indebtedness, the Member automatically forfeits the Membership (whether Initial or New) to the Corporation and any and all sums paid in fees or dues by that Member shall become the sole property of the Corporation. At the time of forfeiture, the delinquent Member's right to use the Corporation's facilities shall cease.

Section 4 - Upkeep of Facilities

- 4.1. Maintenance and Upkeep: The Corporation's facilities, including but not limited to, the Tennis Courts, Club House, Swimming Pool, Parking Lot and Grounds shall be kept in reasonably good repair and shall be maintained in as clean, neat, attractive, and safe condition as possible at all times.
- 4.2. Dues for Operation and Maintenance: The Board shall levy Annual Dues for the operation, upkeep, maintenance and repair of the Corporation's facilities. The Board shall be allowed to levy Annual Dues and other fees in order to maintain suitable reserves for maintenance and repairs of the Corporation's facilities.
- 4.3. Special Assessment for Improvements: With a vote of approval by sixty-seven percent (67%) of the Board Members, the Board shall have the authority to levy special assessments for capital improvements to the Corporation's facilities.

Section 5 - Board of Trustees

- 5.1. Number and Term: The Board of Trustees shall consist of five (5) Members. Board members shall serve one-year terms until their respective successors are chosen and qualified. Two (2) persons shall be from Solamere, two (2) from the Oaks and one (1) from Morningstar. If the Board is three (3) persons then one (1) shall be from Solamere, one (1) from the Oaks, and one (1) from Morningstar. A Trustee need not be a resident of the State of Utah to serve on the Board, but must be in good standing with the Corporation.
- 5.2. Appointment: The Board of Trustees shall each be appointed annually by their respective subdivision's homeowners associations in accordance with Section 5.1.
- 5.3. Powers: The ultimate responsibility and control for the Corporation, its affairs, properties and assets is vested in the Board of Trustees. The Board, as a group, shall:

- 5.3.1. Establish policy;
 - 5.3.2. Make major decisions affecting the Corporation and its property;
 - 5.3.3. Determine and fix dues and fees;
 - 5.3.4. Establish and enforce the “House Rules”;
 - 5.3.5. Levy assessments against the Members and provide for collection of the same;
 - 5.3.6. Fine, reprimand or suspend any Member;
 - 5.3.7. Remove for cause any Trustee or Officer;
 - 5.3.8. Exercise the fiscal responsibility for the Corporation.
- 5.4. Decisions: Unless otherwise provided in these By-Laws, every decision of a majority of the Trustees present at a meeting of the Board at which a Quorum is present shall be a valid act of the Corporation.
- 5.5. Limitation on Powers: The powers of the Board shall be limited as follows:
- 5.5.1. Any decision of the Board involving a single expenditure in excess of thirty thousand dollars (\$30,000), not including expenditures for repair or operation of existing facilities, shall require an approval vote by sixty-seven percent (67%) or more of the Board.
 - 5.5.2. The Board shall not contract for, or enter into any agreement or understanding for any single expenditure in an amount in excess of thirty thousand dollars (\$30,000) without having first obtained at least three (3) bids from the respective Contractor, Decorator, Supplier or any other party whom the Board deems qualified and appropriate to perform such work or to furnish such materials.
 - 5.5.3. The Trustees, as individuals, shall not:
 - 5.5.3.1. Give orders or instructions to management or employees, unless it is directly related to the Trustee’s responsibilities on the Board.
 - 5.5.3.2. Incur any obligations, financial or otherwise, for or on behalf of the Corporation.
- 5.6. Annual Meeting of the Board: The annual meeting of the Board of Trustees shall be held without notice immediately before or after and at the same place as the Annual Meeting of the Members as described in Section 10.1. The Corporation shall give notice of the Annual Member Meeting, in writing, not less than ten (10) days in advance, if mailed by first-class, registered mail or via electronic transmission to the email address on file for each Trustee. If notice is mailed other than first-class, registered mail or sent by another means other than email, then the Corporation shall provide notice not less than thirty (30) days nor more than sixty (60) days before the meeting date.
- 5.7. Regular Meetings of the Board: The Board shall have a minimum of two regular meetings annually, with one meeting scheduled prior to the Club’s season opening. The

time, date and place of said meetings shall be fixed by Resolution of the Board, subsequent notice shall be unnecessary. Fax and e-mail shall be considered informal reminders of regular meetings. Regular meetings of the Board may be held at any time, without notice, if all of the Trustees are present, or if those not present waive notice either before or after the meeting.

- 5.8. Special Meetings of the Board: The President of the Corporation or any two Trustees may call a special meeting of the Board. The President or Secretary shall give Board Members notice of Meetings, in writing, sent by first-class mail not less than two (2) days in advance. Fax and e-mail shall be considered informal reminders of meetings but not formal notice, unless the Trustee has waived his right to formal service before the meeting. Special meetings of the Board may be held at any time, without notice if all of the Trustees are present, or if those not present waive notice either before or after the meeting.
- 5.9. Informal Action by Trustees: Any action that is required or permitted to be taken at a meeting of the Board of Trustees may be taken without a meeting, if each and every member of the Board, in writing, either (1) votes for the action, or (2) votes against the action or abstains from voting and waives the right to demand that action not be taken without a meeting. If writing is delivered through email, such writing shall be deemed to be delivered when the Trustee sending the notice receives acknowledgement of receipt by the President or Secretary.
- 5.10. Waiver of Notice: Any notice required to be given to a Trustee may be waived by the Trustee entitled thereto signing a waiver thereof, whether before or after the time stated therein, and the signing of such waiver shall, for all purposes, be equivalent to the giving of such notice. Attendance of a Trustee at any meeting shall constitute a waiver of notice of such meeting unless such Trustee is attending the meeting for the sole and express purpose of objecting to the transaction of any business at the meeting because the meeting was not lawfully called or convened.
- 5.11. Mandatory Attendance: Trustees must attend Board meetings either in person or through any means of communication by which all Trustees participating may hear each other during the meeting. Trustees who miss two (2) Board meetings in a row will be placed on probation and those who miss three (3) Board meetings in a row shall be expelled. The respective homeowners association who appointed the expelled Board Member shall be notified, in writing, of the probation or expulsion.
- 5.12. Quorum: A quorum of the Board of Trustees consists of a majority of the number of Trustees in office immediately before the meeting. For instance, a Board consisting of three (3) Trustees requires a minimum of two (2) to attend, as described in Section 5.11, to constitute a Quorum. If the Board of Trustees consists of five (5) Trustees then a minimum of three (3) Board Members, attending in person, shall be required for a Quorum. A Quorum shall be required at all Board meetings for the transaction of business of the Corporation.

- 5.13. Order of Business: The order of business at each Board meeting shall be as follows:
- 5.13.1.1. Roll Call;
 - 5.13.1.2. Reading of Minutes of Last Meeting;
 - 5.13.1.3. Reports of Officers and Committees;
 - 5.13.1.4. Unfinished Business;
 - 5.13.1.5. New Business.
- 5.14. Resignation and Removal: A Trustee may resign at any time by delivering a written resignation to either the President or the Board of Trustees. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Trustee may be removed at any time for or without cause, by the affirmative vote of sixty-seven percent (67%) of the Board at a special meeting of the Board for such purpose.
- 5.15. Vacancies: Any vacancies on the Board mid-term shall be filled by appointment by the respective homeowners' association and any Trustee so appointed shall serve until his successor is appointed in accordance with Section 5.2.
- 5.16. Compensation: No Trustee shall be compensated as a Trustee; provided, however, that Trustees may be reimbursed for expenses incurred in performance of their duties as Trustees and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Club other than in their capacities as Trustees.
- 5.17. Manager: The Board of Trustees may carry out its obligations through a Club Manager appointed by the Board. It is to the discretion of the Board whether any manager so engaged shall be either an independent contractor and or employee of the Corporation.
- 5.18. Board Determination Binding on Owners: In the event of any dispute or disagreement between any Members relating to operation of the Club, or any question of interpretation or application of the provisions hereof, the determination thereof by the Board shall be final and binding on each and all of the Members.
- 5.19. Indemnification, Liability of the Trustees and Officers shall be limited and the Corporation shall indemnify the Trustees and Officers for acts as provided herein to the full extent allowed by the laws of the State of Utah.

Section 6 - Officers

- 6.1 Qualifications: Only a Member in good standing with the Corporation, which is duly appointed in accordance with Sections 5.1 and 5.2, shall be allowed to serve as a Trustee. Only a Member that is a Trustee shall be allowed to serve as an Officer of the Corporation.
- 6.2 Titles: The Officers of the Corporation shall be a President, a Vice President, a Secretary and Treasurer. The President may not also serve as the Treasurer. At the option of the Board, the office of Secretary and Treasurer may be held by one (1) Trustee.

- 6.3 Term of Office: The Officers shall be chosen annually by and from the Board at the Board's Annual Meeting, which shall be the first meeting of the fiscal year, and shall hold office for one year and until their successors have been appointed and qualified. The old President holding over from the previous year shall act as Chairman only to conduct the election of the new Officers. Election of each Officer may be by oral vote or, if requested by one or more Board Members, by secret ballot from the Trustees nominated and seconded in the meeting to serve as Officers.
- 6.4 Vacancies: Any vacancies in said offices shall be filled by the Board. Any Officer that is appointed shall serve during the unexpired term of his predecessor.
- 6.5 Duties of Officers: The Officers shall perform all of the duties normally incidental to their respective position in similar types of corporations, country clubs and organizations consistent with the provisions of the Articles of Incorporation and these Bylaws.
- 6.5.1 President: The President shall preside over all meetings of the Members and Trustees and shall have general supervisory authority over all committee chairpersons and managerial employees of the Corporation in the performance of their duties. He shall perform such duties as are imposed upon him by the Articles of Incorporation, these Bylaws of the Corporation, and resolutions of the Board of Trustees consistent therewith. He shall make an annual report to the Board and to the Membership. He shall be an ex-officio Member of all committees established by the Board. He shall have the authority to countersign checks with the Treasurer. He shall be the spokesperson for the Club, unless he delegates this responsibility to another Member of the Board. He shall have the authority to sign on behalf of the Club if the Board approves such action all conveyances, mortgages, documents, and contracts.
- 6.5.2 Vice President: The Vice President shall perform the duties of the President in his absence. If the office of President becomes vacant, the Vice President shall become acting President until a successor is appointed by the Board of Trustees. He shall have the authority to countersign checks with the Treasurer.
- 6.5.3 Secretary: The Secretary shall keep accurate minutes of the proceedings of the meetings of the Membership and Board of Trustees, shall give notice of regular and special meetings of the Board and meetings of the Membership, and shall perform all other duties imposed upon him under the Articles of Incorporation and these Bylaws. He shall have the authority to countersign checks with the Treasurer.
- 6.5.4 Treasurer: The Treasurer shall cooperate with the managerial employee(s) of the Corporation in establishing and supervising the books of account and he shall exercise surveillance over the fiscal affairs of the Corporation and shall make such recommendations to the Board as he deems appropriate with regard to all

fiscal matters. He shall have the authority to countersign checks with one of the other officers.

- 6.6 Subordinate Officers. The Board of Trustees may from time to time appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority, and perform such duties as the Board of Trustees may from time to time determine. The Board of Trustees may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their respective titles, terms of office, authorities, and duties. Subordinate officers need not be Trustees of the Corporation.
- 6.7 Compensation: No Officer shall be compensated as an Officer; provided, however, that Officers may be reimbursed for expenses incurred in performance of their duties as Officers and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Club other than in their capacities as Officers.

Section 7 - Employees and Teaching Professionals

- 7.1 Independent Contractors: The Board shall have the authority to engage independent firms or individuals to supervise, operate and or maintain the physical facilities of the Corporation and/or the books of account of the Corporation. In such event, the term of any contractual arrangements for such activities shall not exceed thirty-six (36) months and must include a sixty (60) day or less termination clause.
- 7.2 Managerial Employees: The Board shall have the authority to employ a Manager for the operation of the facilities of the Corporation. The Manager may be an independent contractor or a full time or part time employee and shall have duties and responsibilities as determined and assigned by the Board in connection with such employment.
- 7.3 Other Employees: The Board shall have the authority to hire and the right to discharge all employees necessary, in the opinion of the Board, to carry on the affairs of the Corporation. The Board may also assign the authority to hire and or discharge employees to the Manager.
- 7.4 Resident Pro: The Board shall have the authority to hire and or contract one or more Teaching Professionals or "Resident Pros". The Resident Pro(s) must be certified and carry his own liability insurance of not less than \$1,000,000 per occurrence. To provide a Resident Pro of the highest caliber, the Board shall have the authority to allow the Resident Tennis Pro to use the tennis courts to instruct non-members if the Board determines there is space available. The Resident Swimming Pro shall only be allowed to instruct non-members if they are a Guest of an accompanied Member.
- 7.5 Guest Pro: Any Member that desires to have a Teaching Professional or Coach as a Guest shall apply and receive the Board's approval prior to use of the Corporations facilities.

Section 8 - Committees

- 8.1 Special Committees: Special committees may be appointed by the President or by the Board, from time to time, when in their judgment it shall be helpful in serving the interests of the Corporation or to remedy any existing problems. The membership of each such committee designated hereunder shall include at least one (1) Trustee.

Section 9 - House Rules

- 9.1 Adoption and Publication: House Rules shall be reviewed and adopted annually by the Board for the purpose of regulating use and establishing operating dates and hours for the Corporation's facilities, prescribing methods of reserving use of the facilities, establishing the minimum age for use by children with and without adult supervision, prescribing dress and standards of conduct in connection with the use of facilities, and for such other purposes normally incidental to similar types of corporations, country clubs or organizations. Copies of all House Rules shall be posted, printed and available in the Club House to Members. In the case of a conflict between these Bylaws and the House Rules, the Bylaws shall prevail.
- 9.2 No Lifeguard: The Corporation shall not be required to provide a Lifeguard. All Members must accompany and directly supervise their children, grandchildren and guests that are under the age of 14 at all times. Children left alone in or near the swimming pool, for any period of time, may cause the immediate suspension of the Membership. All users of any Club facilities, whether Members, Family Members, or Guests use such facilities at their own risk and they each expressly acknowledge the same upon payment of Annual Dues to the Corporation.
- 9.3 Minimum Dates and Hours: The Corporation's facilities shall be open a minimum of 10:00 a.m. to 6:00 p.m., every day from Memorial Day Weekend through Labor Day Weekend, unless weather does not permit. The Board may extend the dates and hours in the House Rules. The Board shall have the authority to close the Club at any time, with or without reimbursement to the Members, due to weather, an act of God or any other circumstance beyond the control of the Board or the Corporation.
- 9.4 Enforcement and Penalties: The Board of Trustees and/or the Manager as delegated by the Board (whether independent contractor or employee) shall be responsible, to enforce these Bylaws and House Rules. The Board shall have authority to take such disciplinary action as it deems necessary or proper for any violations of the House Rules or the provisions of these Bylaws, in accordance with the provisions of Section 16 hereof.

Section 10 - Membership Meetings

- 10.1 Informational Annual Membership Meeting: Since the Members are represented through their respective homeowners' associations at which Trustees are elected to serve the Corporation, the Corporation will hold one (1) Annual Meeting of the Members each year, for informational purposes only. The Annual Meeting of the Members shall be

held on a Saturday in July or August of each succeeding year, and shall typically precede the annual Club barbeque held in early August each year. The time of the meeting shall be determined by the Board of Trustees in its sole and absolute discretion. The only purpose of the Annual Meeting shall be to inform the Members of the status of the Corporation and its activities. A verbal and written report of the affairs of the Corporation may be, but is not required to be, provided by the President or another designated Trustee as part of the Annual Membership Meeting of the Corporation. Notice of such Annual Meeting shall be given through their respective homeowners' association at least one (1) month prior to such meeting and by posting such notice at the Club. Since no business will be transacted at the Annual Meeting of the Members, there shall be no need for a quorum.

Section 11 - Membership Certificates and Cards

- 11.1 Certificate: The Corporation shall not issue Membership Certificates.
- 11.2 I.D. Cards: No member cards will be issued; however, the Board and its Manager(s), agents, and employees of the Association reserve the right to request identification of each Member and their Guest(s) prior to and during any use of the facilities in order to verify Membership.

Section 12 - Prohibition on Commercial Use

- 12.1 No Commercial or Religious Use: The Corporation's facilities may not be used, rented or leased for Commercial or Religious use.

Section 13 - Eligible Guests

- 13.1 Definition of a Eligible Guest: A Guest is a person who is a non-member and is accompanied by a Member or their Family member. A Guest must be accompanied by a Member, at all times, to be eligible to use the Corporation's facilities.
- 13.2 Maximum Number The maximum number of people, per Membership, that may use the Corporation's facilities at any given time, including Members and their Guests, shall be eight (8) people or as otherwise established, by the Board in the House Rules. Any quantity exceeding that established number shall require the permission of the Board and a Group Function Permit.
- 13.3 Group Function Permit Members who desire to have more than eight (8) people use the Corporation's facilities at any given time shall complete a Group Function Permit application not less than thirty (30) days prior to the desired use date. The Board shall approve or disapprove the application and notify the Member of the outcome not less than ten (10) days prior to the desired use date. By a majority vote, The Board shall have the authority to approve or disapprove any application, for any reason. The Board shall establish a fee and deposit for the Group Function Permit. If issued, the Group Function permit shall be for non-exclusive, social use only, of the Corporation's facilities. The Member obtaining the Group Function Permit must be in attendance

during the entire time of the Function. There shall be no admission charged, no service or product sold or exchanged, no food or beverage sold, and no cash tipping allowed. A Member shall be allowed a maximum of one (1) Group Function per month. The Board of Trustees, in its sole and absolute discretion, may delegate the duties regarding approving any Group Function Permit, according to the permit process outlined herein.

- 13.4 Revocation of Guest Group Function Permit: The Group Function Permit shall state the rules that apply in addition to the House Rules and Bylaws. If the rules are not complied with, the Club Manager, a Club Employee or a Board Member may revoke the Group Function Permit, at any time, without refund of the Permit fee and or deposit.
- 13.5 Revocation of Guest's Use: A Guest's use shall be a revocable privilege that may be revoked at any time, for any reason, by The Board or the Club Manager, or a Club Employee at his sole discretion.
- 13.6 No Guest Days: The Board, at its sole discretion, shall have the authority to determine which days, if any, the Corporation's Facilities are heavily used and not allow Guests on those days.

Section 14 - Transfer of Membership

- 14.1 Sale of Lot or Unit to which Membership is Appurtenant: At the same time a Member sells or transfers his Lot or Unit, that Member shall surrender his or her Membership. The Person who purchases or is transferred the Lot or Unit by the Member shall provide the Corporation a copy of the deed or document supporting the transfer, a form of picture identification, as well as the Person's address, phone number(s), email address(es) and other pertinent information.
- 14.2 Responsibility of Transferor: It shall be the responsibility of the transferor of a Lot or Unit to which a Membership is appurtenant, to provide notice to the Corporation of such transfer as prescribed herein. Until such notice is provided and the transfer documented as provided herein, the transferring Member shall remain liable for dues and charges and the transferee shall not be entitled to the benefits of Membership and use of the Corporation's facilities.

Section 15 - Insurance, Indemnification

- 15.1 Insurance:
 - 15.1.1 Type: At all times the Corporation shall maintain General Liability insurance and an Umbrella Policy. The insurance shall include Errors and Omissions coverage for the Board of Trustees, Officers and Committees.
 - 15.1.2 Amount: The General Liability insurance limit shall be not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000)

aggregate. The Umbrella policy limit shall be not less than five million dollars (\$5,000,000). Such limits may be raised from time to time by The Board but shall never be lowered.

15.1.3 Rating: The Insurance carrier must have a minimum of a AAA rating by Standard & Poors.

15.1.4 Payments and Premiums: All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute expenses of the Corporation.

15.2 Indemnification Against Third Party Actions. The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a Trustee, Officer, Committee Member, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a Trustee, Officer, Committee Member, or agent of the Corporation, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Club, and, with respect to any criminal action or proceeding, has no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by an adverse Judgment, order, or settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 16 - Discipline

16.1 Discipline for Cause: The Board of Trustees shall have the authority to discipline, fine or suspend any Member for cause. Such cause may consist of the violation of any Bylaw or House Rule, violation of safety rule, or conduct on the premises of the Corporation's facilities which, in the opinion of the Board, is prejudicial to the Corporations welfare, safety or to the good order and discipline upon the premises of the facilities, or any improper usage of the facilities of the Corporations property.

Section 17 - Amendment

17.1 Amendment: These Bylaws and all other reasonable rules and regulations governing the operation of the Club may be adopted, altered, amended, repealed and enforced by the Board of Trustees to the extent that the same is not inconsistent with the Articles of Incorporation. No Bylaw shall be adopted which is inconsistent with the Articles of Incorporation.

Section 18 - Contractual Obligation

- 18.1 **Legal and Professional Fees:** It is presumed that all Members have created a binding contractual obligation and are conclusively presumed to have unconditionally assented to the Articles of Incorporation, these Bylaws and House Rules of the Club, as then in force, or thereafter duly promulgated and that no Member, Family member or Guest will bring any action or suit to recover damages against the Board, the Club, its Members, Employees, Contractors or Agents. Any person(s) who does bring action or suit against the Club shall reimburse the Club for all legal and other professional fees incurred by the Club in resolving such action or suit unless and only unless, it is judged, in a Utah Court of proper jurisdiction, that the Board acted with malice.

Section 19 - Construction of By-Laws

- 19.1 **Construction:** Whenever the context may require, any pronoun used in the By-Laws shall include the corresponding masculine, feminine or neuter form and the singular form or nouns, pronouns and verbs shall include the plural and vice versa.
- 19.2 **Conflicts:** In the case of a conflict between these Bylaws, Articles of Incorporation, and the House Rules, the prevailing priority shall be as follows:
- 19.2.1 The Articles of Incorporation;
 - 19.2.2 The By-Laws;
 - 19.2.3 The House of Rules.

IN WITNESS WHEREOF, these Bylaws have been adopted by all of the Board of Trustees of the Solamere/Oaks Swim and Tennis Club, Inc. as of this ___ day of _____, 2013.

**SOLAMERE/OAKS SWIM AND TENNIS
CLUB, INC.**

By: Bill Grodnik, Trustee

By: Stacey Rauch, Trustee

By: Ronald Y. Schram, Trustee

By: Beverly Shaw, Trustee

By: Sally Fuegi, Trustee