

**AMENDED AND RESTATED BYLAWS  
OF  
HILLCREST IMPROVEMENT ASSOCIATION**

**ARTICLE I**

**Definitions**

Section 1.       **"Articles"** means the Articles of Incorporation of the Association as may be in force from time to time.

Section 2.       **"Association"** means Hillcrest Improvement Association, an Arizona nonprofit corporation, its successors and assigns.

Section 3.       **"Board"** means the Board of Directors of the Association.

Section 4.       **"Declaration"** means the Second Amended and Restated Restrictions for the Association dated February 20, 2013, as may be amended.

Section 5.       **"Member"** means an Owner as described in the Declaration.

Section 6.       **"Quorum"** means: a) a majority of Directors present at a meeting of the Board of Directors or b) and thirty percent (30%) of Owners present, either in person or via absentee ballot, at a meeting of the Members.

Section 7.       **Other definitions.** Any other capitalized word(s) and terms used in these Bylaws shall have the same meaning as set forth in the Declaration except where the context requires a different meaning.

**ARTICLE II**

**General Provisions**

Section 1.       Amendments. These Bylaws may be amended at any time by the affirmative vote, written consent, or any combination thereof of Owners of fifty-one percent (51%) of the Lots of the Association at an Annual or Special Meeting of the members, and once such amendment is approved by the Board, signed by the President or Vice-President and Secretary, it shall be binding upon all such Owners, their heirs, administrators, successors and assigns. Notwithstanding the foregoing, the Board may amend these Bylaws without the vote of the Owners, solely for the purpose of complying with the law.

Section 2.       Non-Profit Status. No part of the net earnings of the Association shall inure to the benefit of, or be distributable to its Members, Directors, officers or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes for which it was formed.

Section 3.       Declaration of Powers and Duties. The Board may, from time to time, employ the services of a manager to manage the affairs of the Association and, to the extent not inconsistent with the laws of the State of Arizona, and upon such conditions as are otherwise deemed advisable by the

Board, the Board may delegate to the manager any of its powers and duties and any of the officers' powers and duties.

Section 4. Books and Records. The Declaration and all other books, records and papers of the Association shall be available for inspection by any Member and such Member's authorized agents during reasonable business hours at the principal office of the Association, where copies may be purchased at reasonable cost not to exceed any limit imposed by law, except that the Board may withhold from disclosure any books, records and papers relating to any of the following:

- (A) Privileged communication between an attorney for the Association and the Association, including, but not limited to, legal advice from an attorney for the Board or the Association;
- (B) Pending litigation;
- (C) Meeting minutes or other records of a closed executive session of the Board held in accordance with Arizona law;
- (D) Personal, health or financial information about an individual Member of the Association, an individual employee of the Association, or an individual employee of a contractor for the Association;
- (E) Records relating to job performance of, compensation of, health records of, or specific complaints against an individual employee of the Association or an individual employee of a contractor of the Association who works under the direction of the Association;
- (F) Financial and other records of the Association if disclosure would violate any state or federal law; and
- (G) Any other records which may be withheld pursuant to the law.

### **ARTICLE III**

#### **Board of Directors**

Section 1. Number and Term. The Board shall consist of not less than five (5) and not more than nine (9) Directors who are Members. Each person shall be elected for a term of two (2) years and shall be eligible for reelection, with a maximum of three (3) consecutive terms. After a Director has served three (3) consecutive two (2) year terms (e.g., six years total), the Director must take a one (1) year absence from the Board before again being eligible to run for the Board or be appointed to an open Board position. In the case of a Director selected by the Board of Directors to fill an unexpired term, such Director is thereafter eligible to serve, if elected, two (2) consecutive two (2) year terms in addition to the partial term already served before the Director will be required to take a one (1) year absence from the Board.

Section 2. Qualifications of Director. Each Director must be an Owner. If the Owner is a partnership, corporation or other legal entity under Arizona law, then one of the Owner's partners, directors, or officers may be a Director. No more than one Owner from each Lot may serve as a Director at any one time. Directors must be members in good standing, including being current on all assessments, fines and fees. Directors must commit to upholding the Covenants, Conditions, and Restrictions (CC&Rs) of Hillcrest Improvement Association (HIA), and must regularly attend Board meetings and participate in

committee work, and must exercise care, confidentiality and loyalty to the Association in all of their dealings.

Section 3.      Nominations and Election of Directors. The Board shall accept nominations for persons to fill vacancies on the Board caused by the expiration of a Director's term. The Board shall specify a time before the annual meeting when nominations will be closed. The Board shall prepare a slate of eligible persons, which slate shall be presented to the Members. No nominations shall be made from the floor, but write-in-candidates shall be allowed. The Members of the Association shall elect the Directors at the annual meeting of the Members, after a Member Quorum is established and by the affirmative vote, written consent, or any combination thereof of Owners of not less than fifty-one percent (51%) of the Lots.

Section 4.      Resignation. Any Director may resign by delivering written notice of resignation to the President or Vice President of the Association. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.      Removal. Any Director may be removed with or without cause at a special Members' meeting called for such purpose, by a vote of the Members of the Association, in accordance with Arizona law regarding the removal of Directors.

Section 6.      Vacancies. If there is a vacancy on the Board, caused by the death, resignation, or removal of a Director, his or her successor shall be selected by the remaining members of the Board and such successor shall serve for the unexpired term of his or her predecessor. If a vacancy is caused by an increase in number of Directors on the Board, the Board may select Members to serve as Directors until the next annual meeting.

Section 7.      Compensation. No compensation shall be paid to Directors for their service as Directors. However, any Director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

## **ARTICLE IV**

### **Meetings of the Board**

Section 1.      Regular Meetings. The newly elected Board will meet at the earliest practical date subsequent to the election of the new Directors. Regular meetings of the Board shall be held each month thereafter, except when a majority of the Board decides for valid reasons to suspend a regular monthly meeting.

Section 2.      Special Meetings. Special meetings of the Board may be called to discuss business that cannot be delayed until the next regular Board meeting and the minutes of such special meeting must state the reason necessitating the special meeting. Such special meetings of the Board of Directors may be called by the President on forty-eight (48) hours' notice to each director unless emergency circumstances necessitate a meeting before forty-eight (48) hours' notice can be given. Notice shall be given to each Director personally or by mail, e-mail, facsimile or telephone, which notice shall include the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors. Notice of

special meetings of the Board shall be given to Members as set forth in Section 3, except that notice to Members of meetings of the Board is not required if emergency circumstances require action by the Board before notice can be given.

Section 3. Notice of Meetings. Notice to Directors of meetings of the Board shall be delivered (personally, by mail, facsimile, email, or by any other reasonably reliable method) at least seventy-two (72) hours in advance of the meeting. Notice to Members of meetings of the Board shall be given at least forty-eight (48) hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board, except that notice to Members of meetings of the Board is not required if emergency circumstances require action by the Board before notice can be given. Any notice of a Board meeting shall state the time and place of the meeting. An affidavit of notice by an officer of the Association is prima facie evidence that notice was given as prescribed by this subsection. The failure of any Member to receive actual notice of a meeting of the Board does not affect the validity of any action taken at that meeting.

Section 4. Waiver of Notice. Before, at, or after any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him or her of the time and place thereof.

Section 5. Quorum. A majority of Directors of the Board shall constitute a quorum at Board meetings. Board meetings may be held through the use of any means of communication by which all persons participating may simultaneously hear each other during the meeting, including, but not limited to, telephone conference or video conference. A Director participating in a meeting by this means is deemed to be present in person at the meeting. Furthermore, for any Board meetings open to the Members, the means of communication must also allow Members to hear all parties who are speaking during the meeting.

Section 6. Board Decisions. Decisions of the Board made at meetings of the Board must be made after a quorum of Directors is established and by a majority vote of all Directors present. Unless otherwise expressly restricted by statute, the Declaration, the Articles, or these Bylaws, the Board may act without a meeting if all Directors consent in writing to such action. Such consent shall be announced at and filed with the minutes of the next Board meeting. No officer or Director shall have the right to override any decisions of the Board.

Section 7. Open Meetings and Executive Sessions. Unless the Board or a committee is permitted by Arizona law to hold a closed meeting or a closed executive session for portions of a meeting, all meetings of the Board of Directors and all regularly scheduled meetings of committees of the Association shall be open to the Members. An agenda will be available to all Members attending a Board meeting. At any open meeting of the Board of Directors, Members will be entitled to speak before the Board takes formal action on an item under discussion in addition to any other opportunities to speak. The Board of Directors may meet in closed session to discuss the following:

- (A) Legal advice from an attorney for the Board or the Association;
- (B) Pending or contemplated litigation;

(C) Personal, health, or financial information about an individual Member of the Association, an individual employee of the Association, or an individual employee of a contractor for the Association;

(D) Matters relating to job performance of, compensation of, health records of, or specific complaints against an individual employee of the Association, or an individual employee of a contractor of the Association who works under the direction of the Association;

(E) An Owner's appeal of any violation cited or penalty imposed by the Association except on request of the affected Owner that the meeting be held in an open session; and

(F) Any other matters for which the law allows the Board to meet in executive session.

## **ARTICLE V**

### **Powers and Duties of the Board**

Section 1. Powers and Duties. The Board shall exercise all power vested in the Board under the Articles, Bylaws, the Declaration and under the laws of the State of Arizona, including, but not limited to the following powers and duties:

(A) To appoint such agents and employ such employees, including attorneys and accountants, as it sees fit to assist in the operations of the Association, and to fix their duties and establish their compensation.

(B) Subject to the provisions of the Declaration, to adopt and establish rules and regulations, and to take such steps as it deems necessary for the enforcement of such rules and regulations.

(C) To enforce all applicable provisions of the Declaration, the Articles, these Bylaws, and all other regulations.

(D) Contract and pay premiums for fire, casualty, liability, and other insurance which may be required from time to time by the Association.

(E) Contract for and pay for maintenance, construction, reconstruction, landscaping, utilities, materials, supplies, labor and services, that may be required from time to time in relation to the Property and the Common Area.

(F) Pay all taxes, special assessments and other assessments and charges which are or would become a lien on Common Area.

(G) If and when the Board deems it appropriate, to delegate its duties and powers hereunder to the officers of the Association or to employees or contractors of the Association.

(H) To establish and levy, in accordance with the Declaration, assessments on the Members of the Association and to collect them all in accordance with the Declaration; provided no annual assessment shall exceed that provided for in the Declaration and all special assessments shall be set as provided for in the Declaration.

(I) Issue, or cause to be issued, upon written request of a person acquiring an interest in any Lot and to a lienholder, escrow agent, Owner or person designated by an Owner, a certificate in writing

signed by an officer or agent of the Association setting forth whether the Assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate will be provided within the time period required by law. Such certificates shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

(J) To maintain accounts and records showing the financial condition of the affairs of the Association and, at no greater than annual intervals, cause a review, compilation, or audit of such books, a copy of which shall be available for review by each Member within thirty (30) days after completion.

(K) To appoint such other committees as it deems necessary from time to time in connection with the affairs of the Association.

(L) All Board members shall perform other duties as directed by Board Resolution.

## **ARTICLE VI**

### **Association Officers**

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary and a Treasurer. 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. One person may hold two or more offices, except that the offices of President and Treasurer shall not be held by the same person.

Section 2. Term. The officers of the Association shall be elected annually by the Board at the first Board meeting following the election of Directors, after a quorum of Directors is established and by a majority vote of all Directors present. Each officer shall hold office for one (1) year or until his or her successor shall have been elected and qualified, unless he/she shall be removed or otherwise disqualified to serve.

Section 3. Resignation and Removal. Any officer may be removed from office with or without cause by the Board, after a quorum of Directors is established and by a majority vote of all Directors present. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein and, unless otherwise specific therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4. 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 replaced.

Section 5. President. The President shall be the chief executive officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the affairs and officers of the Association. The President, or in the absence of the President, the Vice President, shall preside over all meetings of the Board of Directors and of the Association. The President shall have the powers usually vested in the office of President of a corporation, together with such other powers and duties as may be prescribed by the Board or these Bylaws. The President shall be a member, ex-officio, of all committees appointed by the Board.

Section 6.        Vice-President. In the absence of the President, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon the President. He/she shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or these Bylaws.

Section 7.        Secretary. The Secretary shall keep a complete record of all proceedings and reports of the Board of Directors and shall report these proceedings to the Board at the next regular meeting thereof. The Secretary shall send notices of meetings as the same may be required and keep a roll of the Association and perform all other duties usually pertaining to the office of Secretary.

Section 8.        Treasurer. The Treasurer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts and disbursements. The Treasurer shall make payments for bills previously approved by the Board.

Section 9.        Compensation. No compensation shall be paid to officers for their service as officers. However, any officer may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

## **ARTICLE VII**

### **Membership and Voting Rights**

Section 1.        Membership. Each Owner of one of the Lots in the Association shall automatically, upon becoming the Owner of a Lot, be a Member of the Association. Each Owner of a Lot shall remain a Member of the Association until such time as his or her ownership ceases for any reason, at which time his or her membership in said Association will automatically cease.

Section 2.        Voting Rights. Each Lot Owner shall be entitled to only one vote for each Lot owned. When more than one person holds an interest in the same Lot, all of them shall be Members and the vote for the Lot may be cast as they, among themselves, determine, but in no event shall more than one vote be cast for any Lot. The vote for each Lot must be cast as one whole vote and fractional votes shall not be allowed. If joint Owners are unable to agree among themselves as to how their vote or votes are to be cast, they shall lose their right to vote on the matter in question. If any joint Owner casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he or she had the authority and consent of all other joint owners of the same Lot. If more than one vote is cast for a jointly-owned Lot, none of said votes shall be counted and all shall be deemed void.

Section 3.        Suspension of Voting Rights. The Board of Directors may suspend the voting rights of an Owner for any period during which any assessment against the Owner's Lot remains unpaid; or for a period not to exceed sixty (60) days for any infraction of the rules and restrictions stated in the Declaration.



## ARTICLE VIII

### Meetings of the Members

Section 1.      Annual Meeting. The annual meeting of the Members shall be held within the State of Arizona at least once a calendar year at a time and place as may be determined by the Board of Directors.

Section 2.      Special Meeting. Special meetings of the Association may be called at any time by the President and shall be called by the President or Secretary at the request in writing of a majority of the Board of Directors or a request signed by the Members who are entitled to vote one-tenth (1/10) of all votes in the Association (12 Members).

Section 3.      Quorum. Thirty percent (30%) of the Members (thirty-six (36) members) shall constitute a quorum at any annual or special meeting. Unless otherwise provided in these Bylaws or in the Declaration, a vote of the majority of the votes cast at a meeting where quorum is present shall prevail with respect to any issue presented to the membership.

Section 4.      Notice of Meetings. Notice of meetings of the Members shall be delivered (personally, by mail, facsimile, email, or by any other reasonably reliable method) at least ten (10) days, but no more than fifty (50) days, prior to the holding of such meeting addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting and the purpose of the meeting.

Section 5.      Voting. Votes by Members may be cast by email, in person or by mail-in/absentee ballot or for special meetings and annual meetings of the membership, pursuant to A.R.S. §33-1812. Rules and regulations for electronic or online voting may be determined by the Board of Directors, pursuant to A.R.S. §10-3708. Any action taken at an annual or special meeting of the Members must comply with all of the following:

- (A)              The mail-in/absentee ballot must set forth each proposed action;
- (B)              The mail-in/absentee ballot must provide an opportunity to vote for or against each proposed action;
- (C)              The mail-in/absentee ballot is valid only for one specified election or meeting of the members and expires automatically after the completion of the election or meeting;
- (D)              The mail-in/absentee ballot must specify the time and date by which the ballot must be delivered to the board of directors in order to be counted, which must be at least seven days after the date the board delivers the absentee/mail-in ballot to the member; and
- (E)              The mail-in/absentee ballot must specify how many ballots must be returned to achieve a quorum and what percentage of approval is required to approve the action, other than for an election of directors. The mail-in/absentee ballot cannot not authorize another person to cast votes on behalf of the member. Votes cast by mail-in/absentee ballot are valid for purposes of a quorum.

Section 6.      Electronic Meetings. The Board of Directors may, in its sole discretion, determine that any meeting of the members shall not be held at any place, but may instead be held solely by means



of remote communication. Participation in such meeting held by remote communication shall constitute presence in person at the meeting for all purposes, including quorum and voting. Member attendance shall be documented by an officer assigned to the task or other person designated. The meeting minutes must be signed by the Secretary or other officer present.

## **ARTICLE IX**

### **Association Investment Policy**

Section 1.      Risk to Principal. At no time shall any of the funds of Hillcrest Improvement Association be put at risk in any investment whereby the principal amount could be subject to a reduction in value.

Section 2.      Permitted Investments. All invested funds of the Association shall be limited to the following types of investments, and no other investment programs shall be used for Association funds:

- (A)      Money market fund accounts.
- (B)      U.S. Government short term Treasury Bills with three (3) month and six (6) month maturities. These bills shall be held until their respective maturity dates. Treasury Notes shall be prohibited from use.
- (C)      Certificates of Deposit or Savings Accounts in an institution having U.S. Government insured accounts for these funds.


**CERTIFICATION**

I, THE UNDERSIGNED DO HEREBY CERTIFY:

THAT, I am the duly elected and acting President of the Hillcrest Improvement Association, an Arizona nonprofit corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Members thereof, held on the 15th day of April, 2023.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this 8th day of May, 2023.



President

I, THE UNDERSIGNED DO HEREBY CERTIFY:

THAT, I am the duly elected and acting Secretary of the Hillcrest Improvement Association, an Arizona nonprofit corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Members thereof, held on the 15th day of April, 2023.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this 8th day of May, 2023.



Secretary