

BYLAWS  
OF  
ENTRADA PROPERTY OWNERS' ASSOCIATION

- an Arizona non-profit corporation -
- Pursuant to A.R.S. §10-2432, et al. -

ARTICLE I

ORGANIZATION OF ASSOCIATION

Section 1.     Formation of Association:     Upon incorporation, the Association shall be charged with the duties and vested with the powers prescribed by law and set forth in its Articles of Incorporation, these Bylaws, and the Declaration of Covenants, Conditions and Restrictions as recorded in the office of the Pima County Recorder, Arizona. Neither the Articles of Incorporation nor the Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with applicable laws.

Section 2.     Board of Directors and Officers:     The affairs of the Association shall be conducted by the Board of Directors and such officers as the Board of Directors may elect or appoint in accordance with the Articles of Incorporation and the Bylaws, as the same may be amended from time to time.

Section 3.     Design Guidelines:     The Board of Directors may from time to time, subject to the provisions of the Bylaws, adopt, amend and/or repeal Design Guidelines and Rules concerning the development and use of property covered by these Bylaws, including without limitation, procedural rules for review and approval or disapproval of proposed improvements. The Design Guidelines and Rules shall be reasonable and shall be consistent with these Bylaws.

Section 4.     Personal Liability:     No Board member, committee member, employee or officer of the Association shall be personally liable to any Owner or to any other person or entity, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error or negligence; provided however, the limitation set forth in this Section 4 shall not apply to any person who has acted in a fraudulent or intentionally negligent manner, as adjudicated by a court of proper jurisdiction. The Association shall indemnify its committee members, directors, and officers when acting on behalf of the Association, to the full extent permitted by law.

## ARTICLE II

### MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership: Membership shall be appurtenant to and may not be separated from Lot ownership. The rights and obligations of an Owner and membership shall not be assigned, transferred, pledged, conveyed, or alienated in any way except upon transfer of ownership, or by intestate succession, testamentary disposition, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona.

Section 2. Voting Rights: Each Lot Owner shall be entitled to one (1) vote for each Lot Owned. When there is more than one Owner of any individual Lot, all such persons shall be members, but the vote for such Lot shall be a single vote exercised as they among themselves shall agree. In the event of non-agreement among such joint Owners, the vote for the Lot shall not be accepted, and fractional votes shall not be allowed. Unless otherwise provided for herein, all action of the Association shall be by majority vote.

## ARTICLE III

### MEETINGS

Section 1. Annual Meetings: The initial annual meeting shall be held within one year from the date of formation of the Association. Thereafter, the annual meeting of the Lot Owners shall be held on an annual basis as the Board of Directors shall determine, in accordance with these Bylaws. The location of such meeting shall be as the President or a majority of the Board of Directors shall specify in writing to the Owners.

Section 2. Special Meetings: A special meeting of the Owners may be called at any time by the President or by a majority of the Board, and shall be held at such place as is designated by the President or a majority of the Board, and stated in a written notice. No special meeting shall be held unless the Association shall have mailed to or served upon all of the Owners written notice of the meeting at least ten (10) days and not more than forty-five (45) days prior to the date of the meeting. All notices shall be mailed to or served at the addresses of the Owners as they appear on the books of the Association or at such other address as designated in writing by an Owner and received by the Association.

Section 3. Quorum: The Owners of a majority of the Lots either in person or by proxy shall be necessary to conduct any such meeting. In the event such a quorum is not present, the meeting may be delayed from time to time by a majority vote of the voters

present provided that written notice of the new time shall be mailed to or served upon each member at least five (5) days prior to the time fixed for the meeting.

Section 4. Notice of Meeting: Written notice of each meeting, regular or special, 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, not less than ten (10) days nor more than forty-five (45) 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 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, the purpose of the meeting, and the items to be considered. Meetings of Members and Directors may be held at such places within the State of Arizona, County of Pima, as may be designated by the Board of Directors.

#### ARTICLE IV

##### BOARD OF DIRECTORS

Section 1. Directors: The affairs of the Association shall be governed by a Board of Directors composed of not less than three (3) Directors and not more than nine (9) Directors. The initial Board of Directors shall be comprised of seven (7) persons. All Directors must be Lot Owners.

Section 2. Election—One Year Terms: The Directors shall be elected by the Membership at its annual meeting for a term of one (1) year each. Directors may be re-elected to as many terms of directorship as the Membership shall designate.

Section 3. Annual Meeting: The annual meeting of the Board of Directors shall be held at the same place as the annual membership meeting immediately following the adjournment of the annual meeting of the membership. The Board of Directors may establish a schedule of regular meetings to be held at such place as the Board of Directors may designate, in which event, no notice shall be required to be sent to the said Board of Directors of said regular meetings once said schedule has been adopted.

Section 4. Special Meetings: Special meetings of the Board of Directors may be called by the President, and in his absence, by the Vice President, or by a majority of the Directors, by giving ten (10) days notice in writing to all of the Board of Directors of the time and place of said meeting, said notice to be mailed to or personally served on each Member of the Board of Directors by the Secretary of the Association. By unanimous consent of the Board of Directors, a special meeting of the Board of Directors may be held without notice at any time and place. All notices of special meetings shall state the purpose of the meeting.

Section 5. Quorum: A quorum for the transaction of business at any regular or special meeting of the Board of Directors shall consist of a majority of the Members of the Board, but a majority of those present at any annual, regular or special meeting shall have the power to adjourn the meeting to a future time, provided that written notice of the new time, date and place shall be mailed to or personally served on each Member of the Board of Directors at least five (5) days prior to the time fixed for said meeting. Unless otherwise provided for herein, all Board action shall be by a majority vote of the Directors present.

Section 6. No Compensation: The Directors and Officers of this Association shall serve without compensation, but shall be entitled to reimbursement for all reasonable and approved costs and expenses incurred in furtherance of the Association business.

Section 7. Director Replacement: Any Director may be removed from office upon an affirmative majority vote of the Owners. In the event of any removal, resignation or vacancy on the Board, the remaining Members of the Board shall elect a Director for the balance of the unexpired term. The election shall be held for the purpose of filling any vacancy at any regular or special meeting of the Board.

Section 8. Action Taken Without A Meeting: The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 9. Possible Management Agent: The Board of Directors may employ for the Association a management agent and such other legal, accounting and other professional services at a compensation established by the Board to perform such duties and services as the Board shall authorize. Any such management agent, etc., shall incur no liability for action in good faith upon instructions given to it by a majority of the Board of Directors, however, any such agent shall be responsible for that agent's negligence and misconduct.

Section 10. Nomination: Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may be made by a Member by written request to the Nomination Committee at any time prior to the election and nominations may also be made from the floor at the annual meeting of the Members. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two more persons who are Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but

not less than the number of vacancies that are to be filled. The Nominating Committee's list of candidates shall be made available to the Members at least sixty (60) days prior to the meeting, but no earlier than ninety (90) days prior to the meeting.

Section 11. Cumulative Voting for Board of Directors. In any election of the members of the Board, every owner of a Membership entitled to vote at such an election shall have the number of votes for each Membership equal to the number of directors to be elected. Each Member shall have the right to cumulate his votes for one candidate or to divide such votes among any number of the candidates. The candidates receiving the highest number of votes, up to the number of the board members to be elected, shall be deemed elected.

Section 12. Election. Election to the Board of Directors 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 Declaration. The persons receiving the largest number of votes shall be elected.

## ARTICLE V

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers: The Board of Directors shall have all the powers of an Arizona non-profit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Declaration, the Articles of Incorporation and these By-laws and to perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the expressed powers of the Association. Without in any way limiting the generality of any of the foregoing provisions, the Board of Directors shall have the power and authority at any time to do the following:

(a) adopt and publish rules and regulations governing any matters contemplated by the Declaration or Articles and to establish penalties for the infraction thereof;

(b) suspend the voting 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. Such rights may also be suspended (i) for a period not to exceed sixty (60) days for infraction of the Declaration, or the Association Rules and (ii) for successive 60-day periods if any such infraction is not corrected during any prior 60-day suspension period;

(c) 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 By-laws, the Articles or the Declaration;



(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, independent contractors, or such other employees as they deem necessary and to prescribe the duties of such persons.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all of 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-fourth ( $\frac{1}{4}$ th) of the Members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the Annual Assessment against each Unit at least thirty (30) days in advance of each Annual Assessment period; and

(2) take such action, as and when the Board deems such action appropriate but after notice to foreclose the lien against any property for which Assessments are not paid and/or to bring an action at law against the Member personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the board for the issuance for these certificates. If a certificate states an Assessment has been paid, such certificates shall be conclusive evidence of such payment, as against any bona fide purchaser of, or lender on, the unit in question.

(e) procure and maintain adequate liability and hazard insurance as may be required.

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the maintenance responsibilities of the Association set forth in the Declaration to be performed.

(h) procure appropriate insurance coverage for the officers, directors, and committee personnel.

## ARTICLE VI

### OFFICERS

Section 1. Officers: The principal officers of the Association shall be a President, Vice President, and Secretary/Treasurer, all of whom shall be elected by the Board of Directors. The Directors may appoint such other officers as in their judgment may be necessary.

Section 2. Election: The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Replacement: Upon affirmative vote of a majority of the Members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

Section 4. President: The President shall be the Chief Executive Officer of the Association. The President shall preside at all meetings of the Owners and of the Board of Directors. The President shall have executive powers and general supervision over the affairs of the Association, and shall perform and have the powers necessary to perform all the duties incident to his or her office and that may be delegated to him or her from time to time by the Board of Directors.

Section 5. Vice President: The Vice President shall perform all of the duties of the President in his absence and other duties as may be required of him from time to time by the Board of Directors.

Section 6. Secretary-Treasurer:

(a) The Secretary-Treasurer shall issue notices of Board of Directors meetings and all Owners meetings; he/she shall attend and keep the minutes of the same; he/she shall have charge of all of the Association books, records and papers.

(b) The Secretary-Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies and valuable effects in the name and to the credit of the Association in such depositories as may be designated from time to time by the Board of Directors.

(c) The Secretary-Treasurer shall disburse the funds of the Association as may be ordered by the Board in accordance with these Articles, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meeting of the Board of Directors, or

(d) The Secretary-Treasurer shall collect the assessments of the Owners and shall promptly report the status of the collections and of all delinquencies to the Board of Directors.

Section 7. Checks—Bonds: The Secretary-Treasurer, and all officers who are authorized to sign checks, must be bonded, unless waived by a vote of the Membership, in an amount equal to the total assessments for the first year. Cost of the bond shall be paid for by the Association.

## ASSESSMENTS

## ARTICLE VIII

## ARTICLE IX

## 8



of Directors.

#### ARTICLE X

##### 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 Declaration, the Articles and the By-laws 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 XI

##### COMMITTEES

The Board of Directors shall appoint a Nominating Committee as provided in the Declaration and these By-laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out the purpose of the Association.

#### ARTICLE XII

##### INDEMNIFICATION/INSURANCE

Section 1. Indemnification. To the fullest extent permitted by Arizona Revised Statutes, every Director, Officer or committee member of the Association who is employed, appointed or acts as such by the Association shall be indemnified by the Association, and every other person serving as a Director, Officer, committee member, employee, volunteer or direct agent of the Association, or otherwise acting on behalf of, and at the request of the Association, who is named as a plaintiff or defendant in threatened, pending or completed litigation, may be indemnified, in the discretion of the Board, by the Association. Such indemnification shall include without limitation, all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon such person in connection with any proceeding to which he/she may be a party, or in which he/she may become involved, by reason of his/her being or having served in such capacity on behalf of the Association or any settlement thereof, whether or not he/she being or having served in such capacity on behalf of the Association or any settlement thereof, whether or not he/she is a Director, Officer or committee member or serving in such other capacity at the time such expenses are incurred; provided, however, in the case of a proceeding threatened or brought in the right of the Association, the indemnity shall exclude judgments, fines, and settlements. Such indemnification shall be available only if such Officer, Director, member of a committee, or other person acted, or failed to act, in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the Association, and with respect to a criminal proceeding, he/she had reasonable cause to believe his/her conduct was lawful.

### TERM AND AMENDMENT

## ARTICLE XIV

Section 5. Disclaimer of Representations Anything to the contrary in these Bylaws notwithstanding, and except as otherwise may be expressly set forth on a recorded plat or other instrument recorded in the office of the County Recorder of Pima, the Board of Directors and the Association which it represents makes no warranties or representations whatsoever that the plans presently envisioned or the complete development of the Entrada land can or will be carried out, or that any land now owned or hereafter acquired is or will be subjected to these Bylaws or any other declaration, or that any such land (whether or not it has been subjected to these Bylaws) is or will be committed to or developed for a particular (or any) use, or if that land is once used for a particular use, such use will continue in effect.

Section 6. No Warranty of Enforceability: While the Board of Directors and the Association which it represents has no reason to believe that any of the Covenants contained in these Bylaws are or may be invalid or unenforceable for any reason or to any extent, the Board of Directors and the Association which it represents makes no warranty or representation as to the present or future validity or enforceability of any such Covenants. Any Owner acquiring a Lot covered by these Bylaws on reliance on one or more of the Covenants shall assume all risks of the validity and enforceability thereof and by acquiring any Lot agrees that the Board of Directors and the Association which it represents shall have no liability therefor.

Section 7. References to the Covenants in Deeds: Deeds or any instruments affecting any part of Entrada may contain the Covenants herein set forth by reference made in any deed or instrument, each and all the Covenants shall be binding upon the grantee-Owner or other person claiming through any instrument.

Section 8. Gender and Number: Whenever the context of these Bylaws so requires, words used in the masculine gender shall include the feminine and neuter genders, words in the neuter gender shall include the masculine and feminine genders, words used in the singular shall include the plural, and words in the plural shall include the singular.

Section 9. Captions and Titles: All captions, titles or headings of the Articles or Sections in these Bylaws are for the purpose of reference and convenience only and are not deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

Section 10. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December, of each year, except that the first fiscal year shall begin on the date of incorporation of the Association and shall end on the 31st day of December thereafter.

DATED this 13 day of November, 1996.

ENTRADA PROPERTY OWNERS' ASSOCIATION

By: Delberta Lamb  
Delberta Lamb, President

By: Linda McNeel  
Linda McNeel, Secretary