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03/13/2024 04:24 PM Page 1 of 32

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CAPTION:

**GREEN VALLEY PUEBLO ESTATES
HOMEOWNERS ASSOCIATION, INC.
RESOLUTION CODIFYING THE MEMBERSHIP VOTE
AMENDING AND RESTATING THE ASSOCIATION'S BYLAWS
(WITH BYLAWS)**

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**GREEN VALLEY PUEBLO ESTATES HOMEOWNERS ASSOCIATION, INC.
RESOLUTION CODIFYING THE MEMBERSHIP VOTE
AMENDING AND RESTATED THE ASSOCIATION'S BYLAWS**

WHEREAS, by an affirmative vote of the majority of the Board of Directors (the "Board") of the Green Valley Pueblo Estates Homeowners Association, Inc. ("Association") at a Board Meeting held on February 15, 2024, hereby adopts the following resolution (the "Resolution") as an official action of the Board, that codifies the vote of the Membership at a Membership Meeting held on February 7, 2024.

WHEREAS, the Association placed to a vote of the Membership whether to amend and restate the Association's Bylaws;

WHEREAS, pursuant to Arizona Statute, in order to amend the Bylaws, the Association must obtain the affirmative vote by either two-thirds of the votes cast in person or by absentee ballot, or a majority of the Members, whichever is less.

WHEREAS, at a Membership Meeting held on February 7, 2024, the Association obtained the required votes to amend and restate the Association's Bylaws in accordance with the text attached hereto as Exhibit A.

BE IT THEREFORE RESOLVED, the Association's Bylaws have been amended and restated in accordance with the text attached hereto as Exhibit A.

IN WITNESS WHEREOF, the President has executed this Resolution as of this 15 day of FEBRUARY, 2024.

MARK ROLFES
Name


Signature

Exhibit A

FOURTH AMENDED AND RESTATED BYLAWS OF GREEN VALLEY PUEBLO ESTATES HOMEOWNERS ASSOCIATION, INC.

Pursuant to Article VI and in accordance with Arizona's Non-Profit Corporation Act, this Fourth Amended Restated and Amended Bylaws of Green Valley Pueblo Estates Homeowners Association was approved by two-thirds of the votes cast in person or by absentee ballots or a majority of the Members, whichever was less, after copies thereof were provided to the Members at least 30 days prior to the vote approving such Bylaws.

Article I GENERAL PROVISIONS

Section 1.1 Name: The name of the Association is Green Valley Pueblo Estates Homeowners Association, Inc. (Association).

Section 1.2 Address: The Association's address is 145 W. Aliso Drive, Green Valley, Arizona 85614.

Section 1.3 Purpose: As stated in the Articles of Incorporation, the Association was organized for all lawful purposes under the Arizona Nonprofit Corporation Act. Specifically, the association was organized as a nonprofit homeowners association charged with the duties and obligations set forth in the Declaration of Covenants, Conditions and Restrictions for Pueblo Estates in Green Valley, Arizona as amended from time to time.

Section 1.4 Definitions: The following words in these Bylaws will be given the following meanings, unless the context requires otherwise:

1.4.1 "Act" refers to the Arizona Planned Communities Act, as amended from time to time.

1.4.2 "Alley" / "Easement" / "Road right-of-way" refers to the property limits on each lot as defined later. An alley is the land between the drainage channel and the lots on the west and south border of Pueblo Estates (caution: this alley is dirt and subject to wash outs that may make it temporarily impassable for vehicles). The 8 feet on the back of each lot is a utility easement – total utility

easement is 16 feet wide when two lots are back-to-back. The road right-of-way means that the Association owns the paved street plus the 7 feet beyond the curb on streets owned by the Association (La Canoa is not owned by the Association). Like boulevards, lot owners have certain rights and responsibility described in Covenants, Conditions, & Restrictions for that 7-foot road right-of-way.

- 1.4.3 “Board of Directors” or “Board” refers to the governing body of the Association, the members of which are elected by the Members of the Association.
- 1.4.4 “Candidate” means any member nominated to the Board of Directors able to be elected. All candidates must be members in good standing which shall mean, current on assessments and not in violation or in defense of any restrictions at the time of nomination. “Member” is defined in paragraph 1.4.12 as a home or lot owner.
- 1.4.5 “Declaration” means that certain Restated and Amended Declaration of Establishment of Covenants, Conditions and Restrictions as amended from time to time.
- 1.4.6 “Development” and “Community” mean all of Pueblo Estates, Green Valley, Arizona, including all Lots and Common Area, including streets, alleys, easements, rights of way and drainage ways.
- 1.4.7 “Dwelling Unit” means any manufactured home acceptable for residential purposes under the Restated and Amended Declaration of Covenants, Conditions and Restrictions of Pueblo Estates, Green Valley, Arizona.
- 1.4.8 “Entitled to Vote” means that a Member is current in the payment of all sums due to the Association and is not in violation of any of the provisions of the Governing Documents.

- 1.4.9 "Governing Documents" refers to the Declaration, the Articles of Incorporation filed in the Office of the Arizona Corporation Commission, these Bylaws and any Rules adopted by the Board.
- 1.4.10 "Lot" means each parcel of real property together with all improvements thereon, including dwelling units, sheds, awnings, driveways, patios, landscaping, easements and other appurtenances as shown on the Plats of Record in Book 22 of Maps at Page 12, in Book 25 of Maps at Page 45, in Book 27 of Maps at page 8, in Book 28 of Maps at Page 55, and in Book 29 of Maps at Page 35, Pima County, Arizona Recorder.
- 1.4.11 "Member" means the owner or owners of one or more Lots.
- 1.4.12 "Majority" means those members casting more than 50% of the votes at any meeting of the Association.
- 1.4.13 "Mortgagee" refers to both the mortgagee under a realty mortgage and a beneficiary under a Deed of Trust, as such items are defined in the Arizona Revised Statutes.
- 1.4.14 "Owner" means any person, corporation, trust, partnership or other legal entity that owns a Lot, as shown in the records in the office of the Pima County Recorder, but does not include any mortgagee, legal or equitable lien holder under a contract for sale of real estate, or trustee or beneficiary under any Deed of Trust, unless such mortgagee or lien holder, by foreclosure or deed in lieu of foreclosure, or the purchaser at a trustee's sale, has acquired title to such Lot, or the vendee who has forfeited his/her interest in the Lot in accordance with Arizona Law.
- 1.4.15 "Property" means Pueblo Estates as more fully described in the Plats.

Section 1.5 Bylaw Applicability. These Bylaws are applicable to the operation of The Association, which is responsible for all facilities, common areas, Alleys, easements, drainage ways, streets and rights of way owned by the Association.

Section 1.6 Personal Application. All present and future owners, family and guests, tenants, employees, contractors, or any other person who might use the facilities within the Property in any manner, are subject to the provisions of the Governing Documents. The acquisition or rental of any of the lots and the occupancy of any of lots signifies that the Governing Documents are accepted and that such persons agree that they will comply with such Governing Documents.

Section 1.7 Copies of Governing Documents. The Board will make available a current copy of the Governing Documents and any amendments thereto, to each current Member and prospective Member.

Section 1.8 Association Responsibilities. The Association is responsible for administering and managing the Property, approving the annual budget, establishing and collecting annual and special assessments, all as set forth in the Declaration and Articles of Incorporation, and as further set forth in these Bylaws.

Article II ASSOCIATION MEETINGS

Section 2.1 Access Key Cards. The Association will issue two key cards for each Lot as an identification card bearing the resident's lot number. This key card enables the holder to automatic entry into the recreational center at Pueblo Estates when it is locked and entitles the resident to use all of the recreation facilities in accordance with the Governing Documents. Upon the sale or transfer of any Lot, or a change in the residents thereof, the card will be voided and must be surrendered at the Association's office.

Section 2.2 Annual Meeting. The annual meeting of the Association will be held during the month of January of each year, or other date determined by the Board. The nominees will be presented at the annual meeting. The Members may also transact any other business of the Association that is properly on the agenda.

Section 2.3 Special Meetings. The President will call a special meeting of the Members as directed by resolution of the Board, or upon receipt of a petition signed by at least 25% of the Owners entitled to vote. The notice of any special meeting will be mailed by first class mail to each Member entitled to Vote. The notice must state the purpose of the special meeting as well as the date, time and place thereof. No business will be transacted at a special meeting except as stated in the notice.

Section 2.4 Place of Meetings. Meetings of the Association will be held at a suitable place convenient to the Owners, as may be designated by the Board.

Section 2.5 Notice of Meetings of the Members. It is the duty of the Secretary to mail a notice of each meeting of the Members to each Member by first class mail, postage prepaid, at least 15 days but no more than 50 days before the date of the meeting. Failure of any Member to receive notice of the meeting will not invalidate any action taken at that meeting.

Section 2.6 Waiver of Notice of Meetings. If a Member attends any meeting, or returns an absentee ballot, this constitutes a waiver of notice of that meeting except when the Member attends a meeting for the express purpose of objecting to the transaction of any business because notice of the meeting was not properly given as required under these Bylaws.

Section 2.7 Voting. Voting at any annual or special meetings is limited to the Owners of Lots with one vote for each full Lot owned, regardless of the number of Owners. Any Owner who is default in the payment of any sums owed to the Association on the date that notice of the meeting is given is not entitled to vote.

Section 2.7.1 Members who were not candidates for election by virtue of being formally nominated and have received “write-in” votes will not be approved for membership on the Board of Directors unless:

2.7.1.1 Member is found to be in good standing with the PEHOA.

2.7.1.2 Member has received a minimum of 10% of total votes cast.

2.7.1.3 Member with “write-in” votes not meeting the above criteria will not be listed and votes cast will be included in the count of invalid votes.

Section 2.8 Absentee Ballots. In accordance with the Act, proxy voting is not permitted. The Association will provide for votes to be cast by the Members in person or by absentee ballot and may provide for voting by some other form of delivery. Any action taken at an annual or special meeting of the Members must comply with all of the following:

2.8.1 The absentee ballot must set forth each proposed action.

2.8.2 The absentee ballot must give the Member the opportunity to vote for or against each proposed action.

2.8.3 The absentee ballot is valid for only one specified meeting of the Members and expires automatically after the completion of the election of meeting.

2.8.4 The absentee ballot must specify the time and date by which the ballot must be delivered to the Board to be counted, which must be at least seven days after the date that the Board delivers the absentee ballot to the Member.

2.8.5 The absentee ballot cannot authorize another person to cast votes on behalf of the Member. Votes cast by absentee ballot or other form of delivery are valid for the purpose of establishing a quorum. Only those proposals for action that are on the absentee ballot may be voted on at the annual or any special meeting.

Section 2.9 Quorum. Except as otherwise provided in these Bylaws, the presence at any meeting of 10% of the Members appearing in person or by absentee ballot constitutes a quorum. If a quorum is not present at any meeting, the meeting will be adjourned to another date and time and notice thereof will be provided in accordance with Section 2.7. Any votes received at the initial meeting will be counted for quorum purposes for any adjournment.

Section 2.10 Annual Meeting Order of Business:

1. Proof of notice of meeting or waiver of notice
2. Reading of the minutes of the preceding annual meeting
3. Financial report
4. Annual message from the President
5. Annual reports from standing committees
6. Introduction of the Nominating and Election Committees
7. Nomination of candidates for the Board
8. Presentation of any propositions or issues to be voted upon in the annual election
9. Unfinished business
10. New business
11. Adjournment

Section 2.11 Challenges to Procedures for Meetings. All informalities or irregularities in notices or meetings and in the manner of voting, form of absentee ballots, and the method of ascertaining who is present at the meeting, will be deemed waived if no objection is made at the meeting.

Section 2.12 Conduct of Meetings. All meetings of the Association will be chaired by the President, or any other director designated

by the Board. In the event that a director is not available to chair any meeting of the Members for whatever reason, the Members present in person will appoint a Member to act as the Chair of the meeting and to conduct the business of the Association in accordance with Section 2.10.

Article III Board of Directors

Section 3.1 Composition. The Association will be governed by a Board consisting of nine (9) persons, all of whom must be Members of the Association.

Section 3.2 Powers and Duties. The business, property and affairs of the Association will be managed by the Board. The Board has all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not, by other provisions of the Governing Documents, specifically reserved to the Members. The members of the Board do not have the right to engage in self-dealing, act for the pecuniary profit for themselves, the officers, or members, issue stock or declare or distribute dividends.

3.2.1 Assigned Duties for Board Members. All Board Members shall have assigned duties. The Board elected positions of President, Vice President, Secretary and Treasurer shall be exempt from all other assigned duties.

3.2.1.1 Assigned Duties. The following duties shall be assigned as *necessary*, with a minimum of one (1), by the President: Conformance, Maintenance, Welcoming, Architecture, Fines and Landscape, RV Storage, Project Manager, Long/Short Range Kitchen Committee, Finance, Insurance, Lightfest, \ *Communication, Club Liaison, and Social Events*.

Section 3.3 Other Duties. In additions to duties imposed by these Bylaws, or by resolution of the Association, the Board is responsible for the following:

- 3.3.1 Care and upkeep of the common areas and facilities, including establishing rules or regulations for the use of common areas, streets, alleys, drainageways, rights of way and easements, and all facilities:
- 3.3.2 Expending funds necessary for the maintenance, repair or replacement of all real property and facilities belonging to the Association;
- 3.3.3 Collecting assessments, charges or other sums owed by the improvements erected upon the Property and all fixtures and personal property owned by the Association, for the benefit of all Owners and their mortgagees, as their interest may appear, in an amount equal to their maximum insurable replacement value, exclusive of foundation and excavation costs, as determined annually by the insurance carrier: (1) against loss or damage by fire and hazards covered by a standard coverage endorsement, and (2) against such other risk, of a similar or dissimilar nature, as are or will be customarily covered with respect to buildings similar in construction, location, and use to the buildings on the property.
- 3.3.4 Hiring and establishing salaries for supervisory personnel and others who perform duties necessary for the maintenance and operation of the common areas and facilities.
- 3.3.5 Insurance:
- 3.3.5.1 The Board will obtain public liability insurance in an amount determined annually by the Board. The Association will, subject to the provisions of the Declaration, use the net insurance proceeds to repair and replace any damage or destruction of the Property, real or personal, covered by such insurance, and will pay any balance remaining into the Association's general operating or reserve account. If the insurance proceeds are insufficient to repair or

replace the loss or damage, the Board will levy an assessment against each Owner in an amount sufficient to cover the deficiency, which assessment will be promptly paid to the Association and placed into the Association's operating account.

3.3.5.2 The Board will obtain Directors' and Officers' Liability insurance to protect Board Members against personal liability arising out of acts or decisions of the Board. The cost of such Directors' and Officers' Liability Insurance will be paid by the Association.

3.3.6 Notwithstanding the aforementioned powers and duties of the Board of Directors, no new capital improvement will be made if the cost thereof exceeds \$50,000.00 for any individual project, unless such action receives prior authorization from the members at an annual meeting or a special meeting called for that purpose. All purchases in excess of \$5,000.00 will be made on a basis of competitive bidding, provided a sole supplier situation does not exist. Such bids, if obtained, will be retained in the corporation office for examination by any member for not less than six (6) months after the date of purchase.

3.3.7 Election and Term of Office. The members of the Board will be elected by a plurality vote for a term of three (3) years. The terms of the directors will be staggered and as nearly as possible, the terms of one-third of the directors will expire each year. Board members will hold office until their successors are qualified and elected.

3.3.7.1 Nominating Committee and Nominations to the Board. At least 60 days prior to the annual meeting, the President will appoint a Chair for the Nomination Committee and the Chair will appoint at least three (3), but not more than six (6) Members to the Nominating Committee from Members.

3.3.7.1.1 No Director will serve on the Nominating Committee.

3.3.7.1.2 The Nominating Committee will solicit the Members for candidates to run for the vacant Board positions at the next annual meeting of the Members. Any person who desires to serve on the Board must provide his/her name to the Nominating Committee Board with a short biography. The Nominating Committee may consider those persons as candidates for election, but it is not required to place all of the names on the ballot for election to the Board. The Nominating Committee may take as many nominations for election to the Board as it may, in its discretion, determine, but not less than the number of vacancies that are to be filled. Nominations must be made from among Members in good standing.

3.3.7.1.3 A member of the Nominating Committee will introduce all of the candidates at the annual meeting. Each nominated person, if present, will be given at least two (2) minutes to present his/her views to the Members, if he/she so wishes.

3.3.7.1.4 At the Annual Meeting, the President will solicit nominations from the floor and those persons will also be given two (2) minutes to make a presentation to the Members.

3.3.7.1.5 Once the candidates have concluded their presentations, the functions of the Nominating Committee will cease.

3.3.7.2 Election Committee and Election Procedure. The President will appoint a Chair of the Election Committee and the Chair of the Election Committee will appoint his/her committee. No member of the Board or candidate for election to the Board may serve on the Election Committee. The election will be held at least two (2) weeks and not more than three (3) weeks following the annual meeting, on a day designated by the Board. During the period 9:00 A.M. to 3:00 P.M. on election day, polls at the Recreation Center (or such other place of voting as the Board may specify) will be

open for at least (2) contiguous hours in the morning and two (2) contiguous hours in the afternoon. The specified hours during which the polls will be open will be announced at the annual meeting, and in addition will be prominently displayed in the Recreation Center.

- 3.3.7.2.1 Prior to election day, the Election Committee will establish voting procedures and compile a voting register containing the names and lot numbers of all Members Entitled to Vote.
- 3.3.7.2.2 Immediately following the annual meeting, ballots will be prepared with the names of candidates running for election. The ballots will also set forth any propositions or issues upon which the Members will be voting. Ballots will be mailed to all of the Members Entitled to Vote.
- 3.3.7.2.3 Absentee ballots must be returned to the office of the Association no later than 4:30 P.M. of election day, and they must be signed with the Member's Lot number. Absentee ballots that do not meet these requirements will be voided. Absentee ballots will be opened as they are received by the Chair of the Elections Committee or his/her designee and the ballots will be checked as received on the voting register and deposited in a sealed ballot box. The Chair of the Election Committee will note the receipt of all absentee ballots in the voting register.
- 3.3.7.2.4 When voting in person, each Member will be required to sign the voting register opposite his/her name before receiving a ballot. As there is only one vote for each Lot, co-owners of Lots must decide which owner will cast the vote attributable to that Lot.
- 3.3.7.2.5 After the polls have closed on election day, members of the Election Committee will count the ballots. After 4:30 p.m. on election day, the Election

Committee will count the absentee ballots. When all ballots have been counted, the Chair of the election Committee will present the President with a signed tally of all votes cast. The President will then post the results of the election by listing only those who were elected. All ballots and the voting register will be kept in the possession of the Chair of the Election committee for 90 days following completion of the election, and then will be destroyed. Any challenge to the election must be filed with the Secretary not later than 30 days after the President has posted the voting results.

Section 3.4 Vacancies on the Board. If a vacancy occurs, the Board shall notify the Members to seek applications. The Board shall consider those applications plus any unsuccessful candidates from the last election when it appoints a Member to fill the unexpired term of the vacant position.

Section 3.5 Removal of Directors. For purposes of the removal of a director, a quorum exists if 10% of the owners are present at the meeting or have returned an absentee ballot, and a director may be removed by a majority vote of those voting on the matter at a meeting of the members. The procedure for removing directors is as follows:

3.5.1 A petition signed by the Owners entitled to cast at least 25% of the votes in the association requesting the removal of a member of the board must be submitted to the Board.

3.5.2 Once the petition has been received by the Board, the board must call a special meeting of the Association. The notice of this special meeting must be given to the Owners at least 10 days before the meeting. Such notice must be either hand-delivered or sent first class mail to the mailing address for the Owner as reflected in the Association's records. An absentee ballot must be sent with the notice of the special meeting, giving a Member who will not be attending the meeting, the right to vote for or against the removal of the named director who is

proposed to be removed.

3.5.3 The special meeting must be held within 30 days from receipt of the petition requesting the removal of a director.

3.5.4 A petition asking for the removal of the same member of the board cannot be submitted more than once during each term of office for that board member.

3.5.5 The entire process for the removal of a director is governed by the Act.

Section 3.6 Organization Meeting. Within 15 days after results of the annual election have been announced, the acting President will call an organizational meeting of the Board. At this meeting a majority of the Board will elect the officers of the Association. The President will preside until a new President is elected.

Section 3.7 Regular meeting. Regular meetings of the Board may be held at such time and place as determined by a majority of the directors, but at least one meeting will be held in at least 8 months of the year. No meetings are required in June, July, August and September of each year. Notice shall be given to the Board Members and Members at least 48 hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board.

Section 3.8 Special Board Meeting. Special meetings of the Board may be called by the President by providing notice thereof to each director, stating the time, place, and the purpose of the meeting. Notice shall be given to the Board Members and Members at least 48 hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board. Special meetings of the Board may also be called upon the request of at least two (2) directors, in which case the Secretary will be responsible for providing notice of the Board meeting to all the directors.

Section 3.9 Quorum of the Board. At all meetings of the Board, there must be at least five directors present to constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting where a quorum is present will be the acts of the Board.

Section 3.10 Action Taken Without a Meeting. The directors will have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written consent of all the directors. The written consent must be filed with the minutes of the Board meeting following the date on which the action in lieu of a meeting is taken.

Section 3.11 Fidelity Insurance. The Association will obtain fidelity insurance on all directors, officers and employees of the Association handling or responsible for the Association's funds in an amount determined by the Board. The premiums for such insurance will be paid by the Association.

Section 3.12 Establishment of Assessments. The Board will prepare an annual operating budget for each fiscal year and based upon this budget will estimate the total annual assessments to be levied on the Members to defray all expenses of the Association (including reasonable reserves for contingencies and replacements, and for capital improvements). The annual assessments will be payable in monthly installments. The Board will set rates of assessments. One rate will be charged to those Owners on whose Lot a Dwelling Unit has been installed and another rate will be charged to those Owners of vacant lots. The amount of each category of assessments will be established by the Board.

3.12.1 The monthly installment of the annual assessment due from the Owners of vacant Lots will be due on the first of the month following the transfer of title to a new Owner. The monthly installment of the annual assessments for Owners of Lots on which Dwelling Units have been installed will be due on the first of the month following the installation of the home on the Lot, the connection of utilities and completion of backfill,

regardless of the actual date of occupancy.

- 3.12.2 If the Board is required to make any necessary expenditures for which there are insufficient funds available in the operating account, the Board may levy a special assessment, which will be charged to the Owners of the Lots in the same proportion as the regular assessments. The Owners will pay the special assessments to the Association within 45 days after notice thereof.
- 3.12.3 The Board will provide a detailed accounting of all receipts and expenditures relating to the administration, maintenance and necessary replacement of all improvements owned or maintained by the Association. The accounting will include all dues collected from the Owners and any other income generated by the Association. The accounting will also detail all expenditures relating to purchases for the benefit of the Association and all salary and personnel expenditures. The books and records of the Association will be made available for examination to any Owners or any person with legal right of representation in writing by said person upon five days written notice to the Board. Any inspection of records will occur during normal business hours at the Association's office.
- 3.12.4 All annual dues are payable in monthly installments on the first day of each month and will be deemed delinquent if not paid by the 15th of the month. The Board may impose a late fee equal to 10% of the amount due or \$15.00 whichever is greater. Any Owner who is delinquent in the payment of any dues will be responsible for the payment of all attorney fees, costs and litigation expenses incurred by the Association in collecting such sums.
- 3.12.5 All collection costs, attorney fees, and litigation expenses incurred by the Association will be a lien on the Lot enforceable by any legal means and pursuant to

the terms of Declaration.

3.12.6 If any special assessment is not paid within 45 days from the date it was levied, it will be delinquent and subject to the imposition of a late fee equal to 10% of the amount due. Interest thereon will be assessed at a rate determined by the Board.

3.12.7 No assessment will be invalidated unless there is willful malfeasance on the part of the Board.

3.12.8 Pursuant to the Act, the Association has the right to foreclose its lien against the Lot for unpaid monthly homeowner association dues or assessments. The lien of the Association is prior to any other lien, except the lien for governmental charges or the lien held by the holder of a first mortgage or deed of trust.

Section 3.13 Notice of Unpaid Dues/ Assessments. At the request of any mortgagee or holder of a deed of trust, or a title company handling the sale of any Lot, the Association will provide a statement of the amounts that are owed to the Association by the Owner of the Lot.

Section 3.14 Use of Corporate Funds. The Board has the exclusive authority to make payments out of the Association's funds for the benefit of all Owners. This authority includes, but is not limited to the following:

3.14.1 Water service for the common areas.

3.14.2 Utility services for the common areas.

3.14.3 All goods, materials, supplies, labor, services, maintenance, repair, alterations, construction and insurance, which the Board is authorized to obtain and pay for pursuant to the terms of the Governing Documents, or which are authorized by the Members for the convenient operation of the common areas or other corporate property.

- 3.14.4 If required by the laws of the State of Arizona or any other governmental body or authority having jurisdiction over the property, worker's compensation insurance with limits as required by such laws
- 3.14.5 Professional services for legal, accounting, or other services contracted for by the Board, if the Board deems such services are necessary for the operation, maintenance and protection of the Association's property, or in the best interests of the Owners.
- 3.14.6 Maintenance and repair of the Lot are the responsibility of the Owner thereof. If the Board determines that maintenance or repair work is required on a Lot, and if the Owner has failed or refused to perform such work within a reasonable time (not to exceed 30 days) after written notice outlining the work to be done is provided by the Board, then the Board has the right to cause the work to be done and to charge the costs thereof against the Lot, to be collected in the same manner as the payment of assessments.
- 3.14.7 All costs of enforcing the Governing Documents, including attorney fees, court costs and litigation expenses, which will be specifically assessed against the Lot giving rise to such enforcement action.

Section 3.15 Rules and Regulations. The Board has the power to adopt and enforce rules or regulations governing the use of the common areas and equipment therein, as well as all streets, alleys, easements, rights of way and drainageways as well as the use and occupancy of the Lots and the conduct of its Members, residents, tenants and guests. Copies of the rules and regulations will be provided to the Owners and are binding upon the Members, their families, tenants, guests, invitees and licensees.

Section 3.16 Compensation. No compensation will be paid to Directors for their services nor for services performed by Directors for the Association in any other capacity, but a Director will be reimbursed for out-of-pocket expenditures incurred on behalf of the Association provided the expenditure was necessary, and was authorized by the Board, and provided the Director provides the Board with a written account or receipt for the expenditure.

Section 3.17 Delegation of Authority. The Board will ensure the continuity of its ability to make all necessary decisions by establishing an executive board consisting of the officers of the Association, (i.e., President, Vice President, Secretary, Treasurer) which has the authority to act in exigent circumstances. The Board will also attempt to have at least three (3) directors available at all times and will delegate to one director, the ability to make decisions in the event of an emergency requiring immediate action or the immediate expenditure of funds to either abate or resolve such exigent circumstance. In the event of such exigent circumstances, the designated director has the authority to make such decisions and/or expend the necessary funds; provided, however, that the Board will ratify the actions at its next board meeting.

Section 3.18 Liability of Board Members. No member of the Board is personally liable to any Member, his/her family, guests, tenants or assigns for any damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, its representatives or employees provided that such Board Member has, upon the basis of such information as may be possessed by him/her, acted in good faith.

Article IV

OFFICERS AND COMMITTEES

Section 4.1 Enumeration of Officers. The officers of this Association are the President, Vice-President, Secretary and Treasurer, and any other officers that the Board designates. The officers will be elected from among the members of the Board. One

person may be elected to the offices of both Secretary & Treasurer.

Section 4.2 Election of Officers. The election of officers will take place at the organization meeting of the Board following each annual meeting of the Members. Officers will hold office for a term of one (1) year until their successors have been elected and qualified.

Section 4.3 Resignation and Removal. Any officer may be removed from office, with or without cause, by a majority vote of the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. All resignations take effect on the date the notice of resignation is received or at any later date specified in such notice. Unless otherwise specified in the notice, the acceptance of a director's resignation is not necessary to make it effective. The term of any member of the Board who misses three consecutive regularly scheduled meetings may be terminated and the remaining directors will appoint a replacement until the next annual meeting at which a successor will be elected by the Members to serve the unexpired term of the terminated director.

Section 4.4 Vacancies. A vacancy of any office except that of the Treasurer may be filled by appointment from the Board. The officer appointed to such vacancy will serve for the remainder of the term of the officer he/she replaces.

4.4.1 Vacancy of Treasurer. A vacancy in the office of Treasurer will first be filled by any member that the Board approves to have the necessary skills and qualifications for the position. If none exists among the members, the Board may appoint anyone deemed to have the necessary skills and qualifications for the position. In either case, the candidate must be able to pass a background check that shows no convictions of financial crimes or crimes of dishonesty. The

appointment will require a unanimous vote by the Board to fill such a vacancy. Such vacancies must be filled within sixty (60) days. The Treasurer appointed will serve for the remainder of the term of the Treasurer he/she replaces.

Section 4.5 Duties. The duties of the officers are as follows:

- 4.5.1 President.** The President is the chief executive officer of the Association. He/she will preside at all meetings of the Association and of the Board. The President has all of the general powers and duties which are usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the Board members or the Owners, from time to time as he/she may at his/her discretion decide is appropriate, to assist in the conduct of the affairs of the Association.
- 4.5.2 Vice President.** The Vice President will assume the duties and responsibilities of the President whenever the President is absent or unable to act. The Vice President will also perform such other duties that have been assigned to him/her by the Board.
- 4.5.3 Secretary.** The Secretary is responsible for keeping the minutes of all meetings of the Board and the Association; is the custodian of the records of the Association and will, in general, perform all of the duties incident to the office of Secretary.
- 4.5.4 Treasurer.** The Treasurer is responsible for all Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in the Association's books. The Treasurer will report on the financial affairs of the Association at the Board meetings and present a statement of the finances at the annual meeting. The Treasurer will be responsible for depositing all funds and valuable effects in the name and to the credit of the Association, in such depositories as may

from time to time be designated by the Board. Funds not required for current expenses will be invested at the highest available interest rates commensurate with sound judgement, at the discretion of the Board.

Section 4.6 Financial Review Committee. The President will appoint a Financial Review Committee from among members of the Association who are not on the Board. The Financial Review Committee, consisting of a Chair and two other members, will review the books of the Association at the conclusion of the fiscal year, and will subsequently submit a written report to the Treasurer and to the President indicating the results of such review. The report prepared by the Financial Review Committee must be completed within 90 days after the completion of the fiscal year and will be available to any Member, upon receipt of a written request. The Chair of the Financial Review Committee, or a member designated by the Chair, will deliver a report of the committee's review of the financial records at the regular meeting of the Board as soon thereafter as possible.

Article V

OBLIGATION OF THE OWNERS

Section 5.1 Rules of Conduct: A member may have his/her membership rights for the right to vote and the right to use the common area amenities in the Association suspended if he /she is delinquent in the payment of assessments or any other sum due to the Association, or if the Member is in violation of any of the governing documents. Such suspension becomes effective upon written resolution of the Board, and after the Member is provided with notice and opportunity to be heard. If the Member brings the delinquent account current or cures the violation, the Member's membership rights will be reinstated.

Article VI

AMENDMENTS

Amendments to the Bylaws and Declaration. The Bylaws and the

Declaration may be amended, repealed or restated at any meeting of the Members by either two-thirds of the votes cast in person or by absentee ballots or a majority of the Members, whichever is less. At least 15 days prior to the date of the meeting at which the vote will be taken, the Board will provide the Members with a copy of the proposed amendments to the Bylaws or the Declaration.

Article VII MISCELLANEOUS

Section 7.1 Minutes of Meetings. The Association will keep minutes of all meetings of the Members, the Board and where requested, all committees.

Section 7.2 Fiscal Year. The fiscal year of the Association begins on the first day of April and ends on the last day of March of the following year.

Section 7.3 Conflicts. If there is a conflict between the Articles of Incorporation and these Bylaws, the Articles will control. If there is a conflict between the Declaration and these Bylaws, the Declaration will control.

Section 7.4 Robert's Rules of Order. All meetings of the Association will be governed by the parliamentary procedures and rules set forth in Robert's Rules of Order Newly Revised, to the extent feasible. Provided however, failure to use Robert's Rules of Order does not invalidate any action taken at any meeting.

Section 7.5 Indemnification. To the extent that it has the power to do so under the Arizona Nonprofit Corporation Act, the Association will indemnify any Director in accordance with the procedures set forth in the Nonprofit Corporation Act.

Section 7.6 Headings. The titles of each Article and heading of each Section of these Bylaws is intended to be an integral part of these Bylaws.

Section 7.7 Dissolution. In the event the Association is dissolved and assets remain in the Association upon dissolution, the assets will be distributed in accordance with the Arizona Nonprofit Corporation Act.

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