

1 **BY-LAWS OF**  
2 **FAST HORSE RANCH HOMEOWNERS ASSOCIATION, INC.**

3 **ARTICLE 1: NAME AND LOCATION**

4 The name of the corporation is Fast Horse Ranch Homeowners Association, Inc.,  
5 referred to as the "Association". The principal office of the Association is located in Vail,  
6 AZ. Meetings of Members and Directors may be held at such places within the State of  
7 Arizona, County of Pima, as may be designated by the Board.

8 **ARTICLE 2: DEFINITIONS**

9 The definitions in these Bylaws shall be the same as the definitions set forth in the  
10 Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitude,  
11 Liens, Reservations and Easements for Fast Horse Ranch recorded on January 25, 2001  
12 at Docket 11472 at Page 1479.

13 **ARTICLE 3: MEMBERSHIP IN THE ASSOCIATION AND VOTING**

14 3.1 Membership.

15 3.1.1 Qualification. Every Owner of a Lot is automatically a Member of the  
16 Association and shall remain a Member for so long as such ownership  
17 continues. Each Owner shall have one vote for each Lot owned.

18 3.1.2 Each Owner's Membership in the Association is appurtenant to and may  
19 not be separated from ownership of the Lot to which the membership is  
20 attributable. Membership is shared by any joint owners of, or owners of  
21 undivided interests in, the property interests to which the Membership is  
22 attributable. Membership attributable to a Lot shall not be increased  
23 because of joint or undivided multiple ownership of any such Lot.

24 3.2 Right to Vote. No change in the ownership of a Lot is effective for voting purposes  
25 until the Board receives written notice of the change together with satisfactory  
26 evidence, such as a deed to the Lot showing the name of the new owner. The vote  
27 for each Member must be cast as a single Lot. Fractional votes are not allowed. In  
28 the event that a Lot is owned by more than one Person and such Owners are  
29 unable to agree as to how their vote or votes shall be cast, they shall not be entitled  
30 to vote on the matter in question. If any Owner casts a vote or votes representing a  
31 certain Lot the Owner will conclusively be presumed to be acting with the authority  
32 and consent of all other Owners of such Lot, unless an objection is made to the  
33 Board, in writing, at or prior to the time the vote or votes are cast. In the event more  
34 than one Person casts or attempts to cast a vote for a particular Lot all the votes are  
35 void.

36 3.3 Transfer of Membership. Except as otherwise provided in this Declaration, the  
37 rights, duties and obligations of a Member cannot and shall not be assigned,  
38 transferred, pledged, conveyed or alienated in any way except upon transfer of  
39 ownership of the Member's Lot, and then only to the transferee.

40 3.4 Suspension of Voting Rights. The voting rights of any Owner shall be suspended  
41 during any period in which the assessment against the Lot is delinquent, or any  
42 other sums due to the Association have not been paid, or for any violation of the  
43 Association's Governing Documents.

## 44 **ARTICLE 4: MEETINGS OF MEMBERS**

45 4.1 Annual Meetings. The annual meeting of the Members shall be held during the  
46 month of February of each year at a date, time and place established by the Board.

47 4.2 Notice of Meetings. Written notice of each meeting of the Members shall be given  
48 by, or at the direction of, the secretary or person authorized to call the meeting, by  
49 mailing a copy of the notice, postage prepaid, at least 10 days nor more than 50  
50 days before the meeting to each Member entitled to vote, addressed to the  
51 Member's address which appears on the books of the Association, or supplied by  
52 such Member to the Association for the purpose of notice. Such notice shall specify  
53 the place, day and hour of the meeting and, in the case of a special meeting, the  
54 purpose of the meeting.

55 4.3 Special Meetings. Special meetings of the Members may be called at any time by  
56 the President, by a majority of the Board, or upon the written request of the Owners  
57 of twenty-five (25%) of the Lots, provided that such Members have not had their  
58 right to vote revoked by the Association.

59 4.4 Quorum. Twenty percent of the Members, who are entitled to vote in person or by  
60 absentee, if allowed by the Board of Directors, must be present at any Association  
61 meeting for there to be a quorum present. If a quorum is not present, in person or  
62 by absentee, the Members entitled to vote shall adjourn the meeting to another date  
63 and time. The Members may continue to adjourn the Association meeting and reset  
64 it to another date and time until a quorum is present.

65 4.5 Absentee Voting. At all Association meetings of Members, each Member may vote  
66 in person or by absentee vote if allowed by the Board of Directors. All absentee  
67 votes shall be in writing and filed with the Secretary, or any designee of the  
68 Secretary's, at least 48 hours prior to the date of the scheduled meeting at which  
69 the absentee votes will be used. Absentees may be revoked by written notice to the  
70 Association before the appointed time of the meeting or if the Member appears  
71 personally at the meeting. Absentee votes are only valid for the meeting at which  
72 they are to be used (or any adjourned and rescheduled meeting with the same  
73 agenda).

## ARTICLE 5: Board; SELECTION; TERM OF OFFICE

### 5.1 Directors to be elected.

5.1.1 Number. Commencing with the 2006 annual meeting of Association Members, the Board shall consist of, and the voting Members shall elect, three (3) directors at the even number year meeting and at least two (2) directors at the odd number year meeting, all of whom must be Members of the Association, or an individual designated by a corporate, partnership or other non-individual Member.

5.1.2 Terms of Directors. The terms for the directors shall be staggered and each shall serve a two year term. Directors may be re-elected for subsequent and consecutive terms

5.1.3 Qualifications. Only those Members who are in good standing, which includes being current in the payment of any sums due to the Association and being in compliance with the Association's Governing Documents, are qualified to serve as Directors. Only one Member from each Lot may serve as a Director.

5.1.4 Removal. Any Director may be removed from the Board by a majority vote of the Members of the Association who are in attendance at any meeting of the Association held for that purpose, provided that a quorum is present at that meeting. The vote will be in person. The members requesting the removal of a Director must submit a petition to the Secretary which has been signed by the Owners of at least 20% of the Lots. The Secretary [or any designee of the Secretary] is responsible for determining the date and time of any special meeting [which must be scheduled not later than 30 days after receipt of the petition] and for mailing notices of the meeting to all Association Members. Any Director whose removal has been proposed shall be given notice of the petition calling for his/her removal and shall be given the opportunity to submit a written response to the petition, to be mailed to the Members by the Secretary with the Notice of the meeting. At the meeting the director whose removal has been proposed shall be entitled to address the Members prior to the vote on the removal. In the event of the removal of a Director, his/her successor shall be selected by the Board and such successor shall fill the unexpired term of the Director who was removed.

5.1.5 Replacement of Directors. In the event of the death or resignation of a Director, his/her successor shall be appointed by the remaining Directors to serve for the unexpired term. In the event that any Director is absent from three required meetings, without being excused by the President for good cause, shall be deemed to have resigned from office and his/her successor shall be appointed by the Board to fill the unexpired term.

5.1.6 Compensation. No Director shall receive compensation for any service he/she may render to the Association. However, any Director may be reimbursed for his/her actual expense incurred in the performance of his/her duties. Directors will be reimbursed for any out-of-pocket funds used to pay for previously approved services or materials needed in conducting association business.

5.2 Action Without a Meeting. The Directors may take any action in the absence of a Board meeting which could have been taken at a meeting by obtaining the written approval of all the Directors. Such action has the same effect as though taken at a meeting of the Directors.

## ARTICLE 6: NOMINATION AND ELECTION OF DIRECTORS

6.1 Nomination. Nomination for election to the Board shall be made by utilizing a Nominating Committee. The Nominating Committee shall consist of a Chair, who shall be a Member of the Board, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board at least sixty days prior to the date of the annual meeting of the Members. The Nominating Committee shall receive, accept or reject written nominations for election to the Board. Nominations must be made from among Members in good standing. There shall be no nominations from the floor.

6.2 Election. Election to the Board shall be by secret written ballot cast at the meeting, unless the number to be elected equals the number of candidates who are running for election, in which case, a motion to accept the candidates by acclamation may be made, seconded and approved by those in attendance. All ballots will be tabulated at the meeting by tellers appointed from among the Members. Absentee ballots may be permitted by the Board of Directors. At the election, Members or their absentee ballots may cast one vote for each vacant position. Members receiving the most votes shall be elected. Cumulative voting is permitted.

## ARTICLE 7: MEETINGS OF DIRECTORS

7.1 Regular Board Meetings. Regular meetings of the Board shall be held at least two (2) times per year, at such date, place and hour as may be determined by the Board.

7.2 Special Meetings. Special Meetings of the Board shall be held when called for by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director. Notice of a Board meeting shall be deemed given in person, via fax or e-mail or by first class mail. In the event of an emergency where the safety of personnel or property is in jeopardy, a same day meeting may be called by telephone by any one Director.

- 151 7.3 Quorum. A majority of the number of Directors shall constitute a quorum for the  
152 transaction of business. Any decision made by a majority of the Directors present at  
153 a duly held Board meeting at which a quorum is present shall be regarded as the  
154 act of the Board.
- 155 7.4 Attendance of Members at Board Meetings. In accordance with the provisions of  
156 A.R.S. §33-1804, the regular meetings of the Board are open to the Members of the  
157 Association.

## 158 **ARTICLE 8: OFFICERS AND THEIR DUTIES**

- 159 8.1 Enumeration of Offices. The officers of this Association shall be a president and  
160 vice-president, a secretary, and a treasurer, who shall at all times be Members of  
161 the Board, and such other offices as the Board may from time to time by resolution,  
162 create. The office of secretary and treasurer may be held by one person.
- 163 8.2 Election of Officers. The election of officers shall take place at the first meeting of  
164 the Board following the annual meeting of the Members.
- 165 8.3 Term. The officers of this Association shall be elected annually by the Board and  
166 shall hold office for one year unless he/she resigns or is removed or is otherwise  
167 disqualified to serve prior to the expiration of the term of office.
- 168 8.4 Special Appointments. The Board may elect such other officers as the affairs of the  
169 Association may require, each of whom shall hold office for such period, have such  
170 authority, and perform such duties as the Board may, from time to time, determine.
- 171 8.5 Resignation and Removal. Any officer may be removed from office by a majority  
172 vote of the Board. Any officer may resign at any time by giving written notice to the  
173 Board, the president or the secretary. Such resignation shall take effect on the date  
174 of receipt of such notice or at any later date specified in the notice of resignation.  
175 Unless otherwise specified in the notice, the acceptance of a Board Member's  
176 resignation is not necessary to make it effective.
- 177 8.6 Vacancies. A vacancy in any elected office may be filled by appointment by the  
178 Board. The officer appointed to such vacancy shall serve for the remainder of the  
179 term of the officer he/she replaces.
- 180 8.7 Multiple Offices. No person shall simultaneously hold more than one office except  
181 that the Secretary and Treasurer may be held by one person.
- 182 8.8 Duties. The duties of the officers are as follows:
- 183 8.8.1 President: The president shall preside at all meetings of the Board and the  
184 annual Association meeting; shall see that orders and resolutions of the  
185 Board are carried out; shall sign all documents and other written  
186 instruments and agreements.



- 187 8.8.2 Vice President: The vice-president shall act in the place and stead of the  
188 president in the event of his/her absence, inability or refusal to act, and  
189 shall exercise and discharge such other duties as may be required of him  
190 by the Board.
- 191 8.8.3 Secretary: The secretary shall record the votes and keep the minutes of all  
192 Association meetings and proceedings of the Board; provide notice or direct  
193 that notice of meetings of the Board and of the Members be mailed in  
194 accordance with the provisions of these Bylaws; keep appropriate current  
195 records showing the Members of the Association together with their  
196 addresses, and perform such other duties as required by the Board.
- 197 8.8.4 Treasurer: The treasurer shall receive and deposit [or direct the receipt and  
198 deposit in the event that a manager has been hired by the Board] in  
199 appropriate bank accounts all monies of the Association and disburse such  
200 funds as directed by resolution of the Board; insure that all checks of the  
201 Association are signed by two Board Members of the Association; keep  
202 proper books of account, cause an annual review of the Association books  
203 to be made by an independent accountant at the completion of each fiscal  
204 year; and prepare an annual statement of income and expenditures to be  
205 presented to the Members at its regular annual meeting, and deliver a copy  
206 of each to the Members upon written request.
- 207 8.8.5 Delegation of Duties. The duties of the officers may be delegated to a  
208 property manager hired for that purpose.

## 209 **ARTICLE 9: POWERS AND DUTIES OF THE BOARD**

- 210 9.1 Powers. The Board has all of the powers of a Board of an Arizona non-profit  
211 corporation, subject only to those limitations set forth in the Association's Articles of  
212 Incorporation and these By-Laws. The Board has the power to do any and all lawful  
213 acts which maybe authorized by the Articles and these By-Laws and any acts which  
214 may be necessary or incidental to the exercise of any of the express powers of the  
215 Association. In addition to any other powers, the Board has the specific power to:
- 216 9.1.1 Employ a manager, an independent contractor, or any employees which the  
217 Board deems necessary, and to prescribe their duties.
- 218 9.1.2 Grant easements or licenses over, across or under the Common Areas for  
219 public utilities, ingress, egress and such other purposes as may be deemed  
220 advisable by the Board.
- 221 9.1.3 Enter into contracts, whether written or oral, or contract for services for the  
222 Association.
- 223 9.1.4 Borrow money to improve the common areas.
- 224

- 225 9.2 Duties. The Board has the duty to:
- 226 9.2.1 Effectively and efficiently manage the affairs of the Association in
- 227 accordance with Federal and Arizona law, the Association declarations, and
- 228 by-laws.
- 229 9.2.2 Set the amount of the annual assessment against each Lot based upon
- 230 each Lot's share of the operating budget, in accordance with the provisions
- 231 of the Declaration. .
- 232 9.2.3 Send written notice of the amount of the Annual Assessment to every
- 233 Owner on or before December 1 of each year for the following year's
- 234 annual assessment.
- 235 9.2.4 Assert collection action against any Lot for which assessments, fines,
- 236 interest and fees exceeding \$250 are not paid.
- 237 9.2.5 Provide, upon a request from any Lot Owner, or his/her real estate or
- 238 escrow agent, a certificate setting forth whether or not any assessment,
- 239 fine, interest, or Architectural Control violation exists. The Board may
- 240 charge a reasonable fee for the issuance of the certificate.
- 241 9.2.6 Procure and maintain insurance as required under the provisions of the
- 242 Declaration and any other insurance deemed appropriate by the Board.
- 243 9.2.7 Pay all taxes due on property owned by the Association.
- 244 9.2.8 Establish and levy special assessments pursuant to the Declaration.
- 245 9.3 Liability of Board Members. No Member of the Board is personally liable to any
- 246 Member or his/her assigns for any damage, loss or prejudice suffered or claimed on
- 247 account of any act or omission of the Association, its representatives or employees
- 248 provided that such Board Member has, upon the basis of such information as may
- 249 be possessed by him/her, acted in good faith.

## 250 **ARTICLE 10: BOOKS AND RECORDS**

251 The books, records and papers of the Association are available for inspection by

252 any Member. In accordance with A.R.S. §10-11601, et. seq, of the Arizona nonprofit

253 corporation act, as amended from time to time, A.R.S. §33-1810, any Member who desires

254 to review such books and records must provide the Association with a written request

255 setting forth the proper purpose for the inspection. Upon receipt of the request, the

256 Association shall schedule a meeting with the Member at which he/she may inspect such

257 records during reasonable business hours. The Member has the right to have the

258 Association make copies made of the documents reviewed, provided that the copies are

259 made at the Member's expense. The Association has the right to request payment in

260 advance from the Member seeking to review the records. The Declaration of Covenants,

261 Conditions, Restrictions, Assessments recorded 04/16/2002 and all amendments thereto;

262 By-Laws and Architectural Control Guidelines are available at [www.fasthorseranch.org](http://www.fasthorseranch.org) or  
263 may be requested in writing mailed to FHRHOA, PO Box 984, Vail, AZ 85641.

264 **ARTICLE 11: AMENDMENTS**

265 11.1 By Directors. These By-Laws may be amended by a vote of a majority of the  
266 directors.

267 **ARTICLE 12: MISCELLANEOUS**

268 12.1 Fiscal Year. The fiscal year of the Association shall begin on the first day of January  
269 and end on the last day of December of every year.

270 12.2 Notices.

271 12.2.1 Notice to the Members is deemed as given if it is in writing and delivered to  
272 Member by hand or deposited in the U.S. Mail, first class postage prepaid.

273 12.2.2 When any notice is required to be given to a Member, a waiver of that  
274 notice, in writing, signed by the person or persons entitled to notice shall be  
275 the equivalent of delivering timely notice to such person.  
276

277 DATED: MAY 6, 2008

278 FAST HORSE RANCH HOMEOWNERS ASSOCIATION, INC.

279 By: George L. Elliott  
280  
281

282 Its: President  
283  
284

285  
286 Attest:  
287 Barry J. Lathin  
288  
289 Secretary