

BYLAWS OF  
VISTA ESCONDIDA HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Section 1.1 Name and Location. The name of the corporation is VISTA ESCONDIDA HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 4647 North 32nd Street, Suite 180, Phoenix, Arizona 85018, but meetings of members and directors may be held at such places within the State of Arizona, County of Maricopa, as may be designated by the Board of Directors.

ARTICLE II  
GENERAL

Section 2.1 Organization and Scope. These Bylaws shall constitute the Bylaws of Vista Escondida Homeowners Association, Inc., an Arizona nonprofit corporation, formed for the purpose of serving as the master property owners' association for Vista Escondida, a single family residential community, pursuant to the Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitudes, Liens, Reservations and Easements for Vista Escondida (the "Declarant"), to be recorded in the Official Records of Maricopa County, Arizona, as the same may be amended from time to time.

Section 2.2 Definitions. Except as otherwise provided herein, capitalized terms used herein which are defined in the Declaration or the Articles of Incorporation of the Association shall have the meanings set forth in the Declaration or Articles, as applicable.

Section 2.3 Application. All present and future Owners and occupants, or any other persons with any right, title or interest in any Lot, or who may have a right to use the Commons Areas, are subject to the provisions of these Bylaws. The ownership, rental or occupancy of any Lot shall be deemed an acceptance and ratification of, and agreement to comply with these Bylaws by the Owner, tenant or other occupant.

Section 2.4 Association Responsibilities. The Association, acting through its Board of Directors and its Members, shall constitute the homeowners association for Vista Escondida. The Board shall be responsible for administering the Declaration and exercising the powers and duties provided for by law and in the Declaration, except for such matters as are reserved to the Members by law, the Declaration, the Articles or these Bylaws.

ARTICLE III  
MEETINGS OF MEMBERS

Section 3.1 Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, with the specific date of the annual meeting to be designated by the Board in its sole discretion. Subject to the Declarant's right to appoint all directors prior to termination of Declarant's Class B Membership as provided

in the Articles, at each annual meeting, the Members shall announce the results of the election of the Board in accordance with the requirements of the Declaration, the Articles and these Bylaws, and may also transact such other business as may be authorized to be transacted by the Members at annual meetings.

Section 3.2 Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership. No business shall be transacted at a special meeting except as stated in the notice thereof.

Section 3.3 Notice of Meetings. Written notice of each meeting 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, at least five (5) days, but no more than fifteen (15) 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 and in the case of a special meeting, the purpose of the meeting.

Section 3.4 Place. All meetings of the Members shall be held at such place and time as shall be designated by the Board and stated in the notice of the meeting.

Section 3.5. Quorum. The presence at the meeting of Members, whether in person or by proxy, entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action, except as otherwise provided by statute or in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 3.6 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before or at the time of a meeting. The proxy shall be counted for purposes of determining whether a quorum is present, and may be voted by the holder of the proxy with respect to any business that may come before the meeting for which the proxy is filed. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot. A revocable proxy shall be terminated by the Member's subsequent filing of a written notice of termination of the proxy prior to the meeting. A Membership held by a duly appointed personal representative or by a court appointed receiver may be voted, in person or by proxy, by such representative or receiver without the transfer of the Membership into the name of the personal representative or receiver.

Section 3.7 Record Date. The Board may fix in advance a date as the record date for the purpose of determining Members entitled to notice of, or to vote at, any meeting of the

Members, or to make a determination of Members for any other purpose. The record date shall not be more than fifty (50) days prior to the date on which the particular action requiring determination is to be taken, and, in the case of a meeting of the Association, not fewer than ten (10) days prior to the date of the meeting. Unless a different date is set by the Board, the record date shall be forty (40) days prior to the action requiring determination. An Owner who is delinquent with respect to an Assessment or whose rights as a Member are otherwise under suspension pursuant to the Declaration as of the record date shall not be entitled to notice of, or to vote at, any meeting of Members noticed or held during the period of delinquency or suspension. When a determination of Members entitled to vote at any meeting of the corporation has been made as provided in the Section, such determination shall apply to any adjournment thereof.

**Section 3.8 Nominating Committee.** A Nominating Committee consisting of five (5) Members (or individuals designated by corporate, partnership or other non-individual Members), some or all of whom may be members of the Board, shall be appointed by the Board not later than one hundred fifty (150) days before each annual meeting at which the Members are to elect one or more directors. The nominating committee shall elect one of its members to serve as its chairperson.

3.8.1. The purpose of the nominating committee shall be to select qualified candidates to succeed the director (s) whose term(s) will expire at the next annual meeting.

3.8.2 The number of candidates selected by the nominating committee shall exceed by two (2) the number of director(s) whose term(s) will expire at the next annual meeting.

3.8.3 Each candidate shall:

a. have been an Owner for at least six (6) months (or shall have been an individual designated by a non-individual Owner which shall have been an Owner for at least six (6) months);

b. not be delinquent with respect to any Assessment or Special Use Fee (nor, in the case of an individual candidate by a non-individual Owner, shall the designating Owner be similarly delinquent); and

c. not have his or her rights under the Declaration suspended pursuant to the provisions thereof (nor in the case of an individual candidate designated by a non-individual Owner, shall the designating Owner have its rights similarly suspended).

3.8.4 The nominating committee shall schedule and publicize two (2) meetings during the period between one hundred fifty (150) days and ninety (90) days prior to the annual meeting. At such meetings, individuals who wish to be considered as candidates may meet with the nominating committee.

3.8.5 It shall be the duty of the nominating committee to select the best qualified candidates. The nominating committee shall not be required to place any particular individual Owner or the designee of any particular non-individual Owner on the slate of candidates.

3.8.6 Not later than ninety (90) days prior to the annual meeting, the nominating committee shall present to the Board the slate of candidates.

3.8.7 During the period between ninety (90) and sixty (60) days prior to the annual meeting, any Owner may submit to the nominating committee a petition supporting that Owner's (or in the case of a non-individual Owner that Owner's designee) candidacy for a director position. A qualified individual will be added to the slate if the Owner's petition in support of such individual is signed by Owners representing at least one percent (1%) of the total number of votes (other than Declarant's votes) entitled to be cast at the election.

*10/27/17*  
*10/27/17*  
Section 3.9 Certification of Candidates. Not later than sixty (60) days prior to the annual meeting, the Board shall certify the slate of candidates to be presented to the Members. The nominating committee shall submit a brief biography (100 words or less) of each candidate, which shall be enclosed with the ballots to be distributed by the Secretary to the Members eligible to vote at the annual meeting.

Section 3.10 Election Committee. The President shall appoint five (5) individuals to an election committee, which shall supervise volunteer tellers approved by the President and otherwise assist in the conduct of the election. The election committee shall establish procedures for conducting the election, which procedures shall be subject to approval of the Board. The election of directors shall be conducted by mail ballot as provided herein.

*10/27/17*  
*10/27/17*  
Section 3.11 Annual Meeting Notification Procedure. Not later than thirty (30) days prior to the annual meeting, the Secretary shall mail the following information to all Members eligible to vote at the annual meeting: (i) a notice of the annual meeting; (ii) the certified slate of candidates for the director positions and the biography of each candidate prepared by the nominating committee; (iii) a ballot and voting instructions; (iv) notice of the candidate meeting (as defined below); and (v) a proxy card pertaining to the annual meeting.

*10/27/17*  
*10/27/17*  
*why do you need a proxy card if voting is prior to annual meeting?*  
~~delete~~ Section 3.12 Candidate Meeting. Not later than twenty (20) days prior to the annual meeting, the Board shall conduct a meeting of the Members, the purpose of which shall be to introduce to the Members the candidates whose names appear on the certified slate of candidates.

*10/27/17*  
Section 3.13 Director Voting. All ballots for the candidates for the director positions must be returned to the location designated in the voting instructions not later than twenty-four (24) hours prior to the annual meeting. Ballots received after the deadline shall not be counted. The election committee shall count and certify the ballots during the twenty-four-hour period preceding the annual meeting. The results of the election shall be announced at the annual meeting.

Section 3.14 Informal Action. Any action required to be taken, or which may be taken at a meeting of the Members, may be taken without a meeting if a written consent setting forth the actions so taken shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. Each such consent shall be filed with the minutes of proceedings of the Association.

Section 3.15 Irregularities. All information in calls or notices of meetings and all irregularities in calls or notices of meetings, the manner of voting, the form of proxies, credentials and the method of ascertaining persons present at any meeting shall be deemed waived if no objection is made at the meeting or if the information or irregularity is waived in writing.

Section 3.16 Order of Business. The order of business at all meetings of the Members shall be as follows: (i) roll call and verification of proxies; (ii) proof of notice of meeting; (iii) reading of the minutes of preceding meeting; (iv) reports of officers; (v) reports of the Board; (vi) reports of committees; (vii) unfinished business and (viii) new business.

#### ARTICLE IV BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 4.1 Number. The affairs of this Association shall be managed by a Board of not less than three (3) directors. The number and qualifications shall be as set forth in the Articles. Upon approval by a majority of the Members, the number of directors may be increased at any time after there is no longer a Class B Member; provided, however, that the number of directors shall not exceed nine (9).

Section 4.2 Term of Office. Subject to the Declarant's right to appoint all directors prior to termination of Class B membership, at each annual meeting the Members shall elect directors in accordance with the procedures set forth in these Bylaws. Directors shall take office following the close of the annual meeting at which they are elected and shall hold office until their successors are duly elected and the first meeting of the new Board has been held. Cumulative voting for directors shall not be required or permitted for a term of one year.

*term 2yrs staggered*

Section 4.3 Removal; Vacancies. After the termination of the Class B Membership, any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. Subject to the Declarant's right to appoint all directors prior to termination of the Class B Membership, in the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4.4 Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 4.5 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.

## ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 5.1 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more 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. Such nominations may be made from among Members or nonmembers.

Section 5.2 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 VI MEETINGS OF DIRECTORS

Section 6.1 Regular Meetings. Regular meetings of the Board of Directors may be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 6.3 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

**ARTICLE VII  
POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 7.1 Powers. The Board of Directors shall have the power to:

7.1.1 Adopt, publish and enforce rules and regulations governing the use of the Common Area and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction hereof;

7.1.2 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 after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

7.1.3 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 Bylaws, the Articles of Incorporation, or the Declaration;

7.1.4 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;

7.1.5 Employ, dismiss and control the personnel necessary for the maintenance and operation of the Common Areas, including the right to employ a manager, accountant, attorney, contractors and other professionals as the need arises, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

7.1.6 Establish, collect, use and expend Assessments and Special Use Fees to carry out the purposes and powers of the Association and to enforce such charges by such means as are authorized by the Declaration; and

7.1.7 Grant or relocate easements for the benefit of the Owners; and

7.1.8 To open bank accounts on behalf of and invest any excess funds held or controlled by the Association.

Section 7.2 Duties. It shall be the duty of the Board of Directors to:

7.2.1 Cause to be kept a complete record of all 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 (1/4) of the Class A Members who are entitled to vote;

7.2.2 Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

7.2.3 As more fully provided in the Declaration, to;

a. fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

b. send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

c. foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

7.2.4 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 of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

7.2.5 Procure and maintain adequate liability and hazard insurance on property owned by the Association;

7.2.6 Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

7.2.7 Cause the Common Area to be maintained.

## ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 8.1 Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 8.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 8.3 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.



Section 8.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of which shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 8.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time 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 at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.6 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 he replaces.

Section 8.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8.8 Duties. The duties of the officers are as follows:

#### PRESIDENT

8.8.1 The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

#### VICE-PRESIDENT

8.8.2 The Vice-president shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

#### SECRETARY

8.8.3 The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses, and shall perform such other duties as required by the Board.

#### TREASURER

8.8.4 The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board

of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

#### ARTICLE IX COMMITTEES

The Association shall appoint an Architectural Review Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

#### 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 of Incorporation and the Bylaws 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 ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at prevailing rate as established in the Declaration, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

#### ARTICLE XII CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: Vista Escondida Homeowners Association, Inc. Incorporated Arizona 199\_\_.

**ARTICLE XIII  
AMENDMENTS**

Section 13.1 These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, except that so long as the Federal Housing Administration ("FHA") or the Veterans Administration ("VA") is making, guaranteeing, or insuring loans within Vista Escondida, the FHA or VA shall have the right to veto amendments while there is Class B membership. Anything in this Article notwithstanding, Declarant reserves the right to amend these Bylaws as may be requested or required by FHA or VA or any other agency with whom Declarant elects to do business as a condition precedent to such agency's approval of these Bylaws, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot or purchasing loans secured thereby. Any such amendment shall be effected by Declarant executing an amendment specifying the agency or lending institution requesting the amendment and setting forth the requested or required amendment(s). Execution of such a Certificate shall be deemed conclusive proof of the agency's or institution's request or requirement and such Certificate, when executed.

Section 13.2 In the case of any conflict between the provision of Arizona Revised Statutes or other applicable law, the Declaration, any recorded Tract Declaration, the Articles of Incorporation, these Bylaws, the Guidelines and the Association Rules, the conflict shall be resolved by giving priority first to the Arizona Revised Statutes or other applicable law, second to the Declaration, third to any recorded Tract Declaration, fourth to the Articles of Incorporation, fifth to these Bylaws and sixth to the Guidelines and Association Rules.

**ARTICLE XIV  
MISCELLANEOUS**

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

**ARTICLE XV  
LIABILITY SURVIVES TERMINATION OF MEMBERSHIP**

The termination of Membership in the Association shall not relieve or release a former Member from any liability or obligation under the Declaration, or in any way connection with the Association, incurred by the former Member during the period of Membership, or impair any rights or remedies the Association may have against the former Member with respect to such liability or obligation.

**ARTICLE XVI  
LIMITATION OF LIABILITY**

Notwithstanding any duty the Association may have to maintain and repair the Common Areas, the Association shall not be liable for injury or damage caused by a latent condition therein or by any Owner or occupant or other person.

**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of the Vista Escondida Homeowners Association, Inc., an Arizona corporation; and,

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the day of \_\_\_\_\_, 199\_\_.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the said Association this day of \_\_\_\_\_, 199\_\_.

\_\_\_\_\_  
Secretary