
BYLAWS
OF
AMANTE AT VERDE SANTA FE HOMEOWNERS ASSOCIATION

BYLAWS
OF
AMANTE AT VERDE SANTA FE HOMEOWNERS ASSOCIATION

ARTICLE 1

GENERAL PROVISIONS

1.1 **Known Place of Business.** The known place of business of this corporation shall be located at the place as is designated in the Articles of Incorporation or such other place as the Neighborhood Association may designate from time to time in accordance with the Arizona statutes governing nonprofit corporations, but meetings of members and directors may be held at such other place within the State of Arizona as may be designated by the Board.

1.2 **Defined Terms.** Capitalized terms used in these Bylaws without definition shall have the meanings specified for such terms in the Neighborhood Declaration of Covenants, Conditions, Restrictions and Easements for Amante at Verde Santa Fe, recorded at Book _____, Pages _____ of the records of Yavapai County, Arizona, as amended from time to time (the "Neighborhood Declaration").

1.3 **Conflicting Provisions.** In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Neighborhood Declaration and these Bylaws, the Neighborhood Declaration shall control.

1.4 **Corporate Seal.** The Neighborhood Association may have a seal in a form approved by the Board.

1.5 **Designation of Fiscal Year.** The fiscal year of the Neighborhood Association shall begin on the 1st 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 of the Neighborhood Association.

1.6 **Books and Records.** Except for materials that the Board desires not to disclose and can fail to disclose in accordance with applicable law, the books, records and papers of the Neighborhood Association shall be available for inspection by any Member and the Member's authorized agents and attorneys during reasonable business hours at the known place of business of the Neighborhood Association.

1.7 **Amendment.**

1.7.1 Subject to the provisions of Section 1.7.2, these Bylaws, and every part thereof, may, from time to time and at any time, be amended, altered, repealed, and new or additional bylaws may be adopted, by Members representing not less than sixty-seven percent (67%) of the total authorized votes entitled to be cast by Members of the Neighborhood Association; provided, however, that either the Board or the Declarant may amend the Bylaws, without obtaining the approval or consent of any Member or Mortgagee, in order to conform the Bylaws to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans

Administration or any federal, state or local governmental agency whose approval is required by law or requested by the Declarant or the Neighborhood Association.

1.7.2 So long as the Declarant owns any Lot, any amendment to these Bylaws must be approved in writing by the Declarant.

1.8 **Indemnification.** To the extent it has the power to do so under the Arizona Revised Statutes, as they may be amended from time to time, the Neighborhood Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Neighborhood Association, by reason of the fact that he or she is or was a Member, director, officer, employee or agent of the Neighborhood Association or is or was serving at the request of the Neighborhood Association as a member, director, officer, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise, against expenses, including attorneys' fees, and against judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith or failed to act and such failure to act was in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the Neighborhood Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Indemnification of any such person shall be made in accordance with the procedures set forth in the Arizona Revised Statutes.

ARTICLE 2

MEETINGS OF MEMBERS

2.1 **Annual Meeting.** An annual meeting of the Members of the Neighborhood Association shall be held at least once every twelve (12) months. The annual meeting shall be held within Yavapai County at such time and place as is determined by the Board.

2.2 **Special Meetings.** Special meetings of the Members may be called at any time by the president or by the Board or upon written request signed by Members having at least one-tenth (1/10) of the total authorized votes in the Neighborhood Association.

2.3 **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 each notice, postage prepaid, not less than ten (10) nor more than sixty (60) days before such meeting to each Member entitled to vote thereat addressed to the Member's address last appearing on the books of the Neighborhood Association or supplied by such Member to the Neighborhood 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. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place of the meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Neighborhood Association may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each Member

entitled to vote at the meeting. By attending a meeting, a Member waives any right that the Member may have had to object to the meeting on the basis that the proper notice of the meeting was not given in accordance with these Bylaws or the statutes of the State of Arizona, except when the person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

2.4 **Quorum.** Except as otherwise provided in the Articles, the Neighborhood Declaration or these Bylaws or as may be provided by applicable law, the presence in person or by proxy of Members entitled to cast one-tenth (1/10th) of the total authorized votes in the Neighborhood Association shall constitute a quorum at all meetings of the Members. If a quorum shall not be present at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

2.5 **Proxies.** At all meetings of the Members a vote may be cast in person or by proxy. A proxy shall be duly executed in writing by the Member or his or her duly authorized attorney-in-fact. All proxies must be filed with the secretary prior to the commencement of the meeting for which the proxy is given. The proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of a notice of revocation signed by the Member who granted the proxy. No proxy shall be valid after eleven (11) months from the date of its execution.

2.6 **Order of Business.** Unless otherwise determined by the Board, the order of business at each annual meeting of the Members, and as far as practical at all other meetings of the Members, shall be:

- a. Election of the chairman of the meeting;
- b. Calling of the roll and certifying of proxies;
- c. Proof of notice of meetings or waiver of notice;
- d. Reading and disposal of any unapproved minutes;
- e. Reports of officers;
- f. Reports of committees;
- g. Election of inspectors of election;
- h. Determination of the number of members of the Board;
- i. Election of directors;
- j. Unfinished business;

- k. New business;
- l. Adjournment.

ARTICLE 3

BOARD OF DIRECTORS

3.1 **Number.** The affairs of this Neighborhood Association shall be managed by a board of three (3) directors. So long as there is a Class B membership in the Neighborhood Association, the directors need not be Members of the Neighborhood Association. After the termination of the Class B membership, all directors must be Members of the Neighborhood Association or an officer in, partner of, member of, director of, agent of, or owner of a Member if the Member is not one or more natural persons. The Members may increase the number of directors on the Board but the number of directors must always be an odd number and shall not exceed nine (9) directors.

3.2 **Term of Office.** The initial members of the Board shall hold office until the first annual meeting of the Members and until their successors are elected and qualified. Commencing with the first annual meeting of the Members, the Members shall elect directors to serve a one (1) year term.

3.3 **Removal.** At any annual or special meeting of the Members duly called, any one or more of the members of the board of directors may be removed from the Board with or without cause by Members having more than fifty percent (50%) of the votes entitled to be cast by the Members present in-person or by proxy at the meeting, and a successor may then and there be elected to fill the vacancy thereby created.

3.4 **Compensation.** No director shall receive compensation for any service the director may render to the Neighborhood Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

3.5 **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 consent of all the directors. Any such written consent shall be filed with the minutes of the proceedings of the Board.

3.6 **Vacancies.** Except for vacancies on the Board caused by the removal of a director in accordance with the provisions of Section 3.3 of these Bylaws, any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum or by a sole remaining director, and any director so chosen shall hold office for the remainder of the unexpired term of the director who is being replaced. When one or more directors resigns from the Board, effective at a future time, a majority of the directors then in office, including those who have so resigned, may fill such vacancy, the vote on the vacancy to take effect when such resignation becomes effective. If by reason of death, resignation or otherwise, the Neighborhood Association has no directors in office, any officer or Member may call a special meeting of the Members for the purpose of electing the Board.

3.7 **Meetings.**

3.7.1 Regular or special meetings of the Board may be held by means of conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation at such meeting shall constitute presence in person at the meeting.

3.7.2 Regular meetings of the Board may be held with or without notice (other than the notice originally given as to when regular meetings are held) at such time and place as is determined from time to time by the Board.

3.7.3 Special meetings of the Board may be called by the president on three (3) business days notice to each director, given in writing, by hand delivery, mail or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the president or secretary in like manner and on like notice on the written request of at least two (2) directors.

3.7.4 A director's attendance at or participation in a meeting shall constitute a waiver of notice of such meeting unless the director at the beginning of the meeting or promptly on the director's arrival at the meeting objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

3.8 **Quorum.** A majority of the 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.

3.9 **Attendance at Meetings.** If any director fails to attend three (3) or more successive meetings of the Board, including special meetings of which he/she has been given notice as provided in Section 3.7, or misses four (4) or more meetings out of six (6) successive meetings of the Board, including special meetings of which he/she has notice as provided in Section 3.7, such Director, unless otherwise determined by two-thirds (2/3) of the directors present at a meeting at which a quorum is present, shall be automatically removed as a director.

3.10 **Powers and Duties.** The Board shall have all of the powers and duties necessary for the administration of the affairs of the Neighborhood Association and may do all such acts and things as are not by the Project Documents required to be exercised or done by the Members. In addition to the duties imposed by these Bylaws or by any resolution of the Members that may hereafter be adopted, the Board shall have the following powers and duties:

3.10.1 Open bank accounts on behalf of the Neighborhood Association and designate the signatories thereon;

3.10.2 Make, or contract for the making of, repairs, additions to, improvements to or alterations of the Neighborhood Common Areas in accordance with the Project Documents, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or for any other reason deemed reasonable by the Board;

3.10.3 In the exercise of its discretion, enforce by legal means the provisions of the Project Documents;

3.10.4 Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair, replacement of the Neighborhood Common Areas and provide services for the Members, and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties;

3.10.5 Provide for the operation, care, upkeep and maintenance of all of the Neighborhood Common Areas and borrow money on behalf of the Neighborhood Association when required in connection with the operation, upkeep and maintenance for the Neighborhood Common Areas; provided, however, the consent of Members having at least two-thirds (2/3) of the total votes in the Neighborhood Association shall be obtained either in writing or at a meeting called and held for such purpose in accordance with the provisions of these Bylaws in order for the Neighborhood Association to borrow in excess of \$5,000;

3.10.6 Prepare and adopt an annual budget for the Neighborhood Association prior to the commencement of each fiscal year;

3.10.7 Adopt and publish rules and regulations governing the use of the Neighborhood Common Area and facilities and the personal conduct of the Members and their family members, guests, lessees and invitees thereon;

3.10.8 Suspend the voting rights of a Member and the right to use the Neighborhood Common Area in accordance with the Neighborhood Declaration;

3.10.9 Exercise for the Neighborhood Association all powers, duties and authority vested in or delegated to the Neighborhood Association and not reserved to the membership by other provisions of the Project Documents.

3.10.10 Declare the office of a member of the Board to be vacant in accordance with **Section 3.9**;

3.10.11 Employ, hire and dismiss such employees and independent contractors as the Board deems necessary and to prescribe their duties and their compensation;

3.10.12 Cause to be kept a complete record of all its acts and corporate affairs;

3.10.13 Supervise all officers, agents and employees of the Neighborhood Association and see that their duties are properly performed;

3.10.14 Levy, collect and enforce the payment of Assessments in accordance with the provisions of the Neighborhood Declaration;

3.10.15 Issue, or cause an appropriate officer to issue upon demand to 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;

3.10.16 Procure and maintain adequate property, liability and other insurance as required by the Neighborhood Declaration;

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

3.10.18 Cause the Neighborhood Common Areas to be maintained, as more fully set forth in the Neighborhood Declaration;

3.10.19 After notice and an opportunity to be heard, impose fines on Owners and residents for violations of the Neighborhood Declaration, the Neighborhood Association Rules or the Neighborhood Architectural Committee Rules, as interpreted and implemented by the Neighborhood Architectural Committee; and

3.10.20 Adopt, amend or repeal bylaws.

3.11 **Managing Agent.** The Board may employ for the Neighborhood Association a managing agent at a compensation established by the Board. The managing agent shall perform such duties and services as the Board shall authorize, including, but not limited to, all of the duties listed in the Project Documents except for such duties and services that under the Project Documents may not be delegated to the managing agent. The Board may delegate to the managing agent all of the powers granted to the Board or the officers of the Neighborhood Association by the Project Documents other than the power to: (i) adopt the annual budget or any amendment thereto or to levy Assessments; (ii) adopt, repeal or amend Neighborhood Association Rules; (iii) designate signatories on Neighborhood Association bank accounts; (iv) borrow money on behalf of the Neighborhood Association; or (v) acquire real property.

ARTICLE 4

OFFICERS AND THEIR DUTIES

4.1 **Enumeration of Officers.** The principal officers of the Neighborhood Association shall be the president, the vice president, the secretary, and the treasurer all of whom shall be elected by the Board. The president must be a member of the Board. Any other officers may, but need not, be members of the Board.

4.2 **Election of Officers.** The election of officers shall take place at the first meeting of the Board, following each annual meeting of the Members.

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

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

4.5 **Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 **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 or she replaces.

4.7 **Multiple Offices.** Any two or more offices may be held simultaneously by the same person except as prohibited by the Arizona Revised Statutes, as they may be amended from time to time.

4.8 **Powers and Duties.** To the extent such powers and duties are not assigned or delegated to a managing agent pursuant to Section 3.11 of these Bylaws, the powers and duties of the officers shall be as follows:

4.8.1 **President.** The president shall be the chief executive officer of the Neighborhood Association, shall preside at all meetings of the Board or the Members, shall see that orders and resolutions of the Board are carried into effect, and have general and active management of the business of the Neighborhood Association.

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

4.8.3 **Secretary.** 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 if any of the Neighborhood 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 together with their addresses, and shall perform such other duties as required by the Board.

4.8.4 **Treasurer.** The treasurer shall receive and deposit in appropriate bank accounts all monies of the Neighborhood Association and shall disburse such funds for appropriate Neighborhood Association purposes as set forth in the Project Documents, keep proper books of account, prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the Members, and, in general, perform all the duties incident to the office of treasurer.

ARTICLE 5

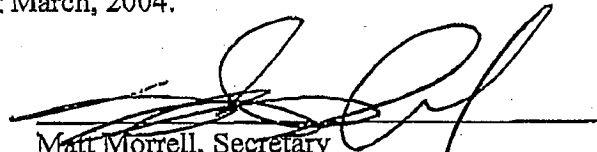
ASSESSMENTS

5.1 **Assessments.** Subject to the provisions of the Neighborhood Declaration, the Board shall levy, collect and enforce Assessments for the operation of the Neighborhood Association and for the management, maintenance and operation of the Neighborhood Common Areas. The Assessments shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Members and residents of Amante at Verde Santa Fe, enhancing the quality of life within Amante at Verde Santa Fe, and protecting and enhancing the value, desirability and attractiveness of Amante at Verde Santa Fe.

5.2 **Collection Policy.** In connection with its obligation to levy and collect Assessments, the Board shall establish and make available to the Members of the Neighborhood Association a collection policy that sets forth the due dates, delinquency dates, and late charges with respect to Assessments and the collection procedures that may be employed if Assessments are not paid in a timely manner.

CERTIFICATION

I hereby certify that the foregoing Bylaws were duly adopted by the Board of the Neighborhood Association on the 24 day of March, 2004.


Matt Morrell, Secretary

262177_1