

Following, please find proposed changes to the Amended and Restated Bylaws of Sabino Springs Homeowners Association. Deleted language is stricken-through (~~like this~~) and new language is italicized, underlined, and highlighted red (*like this*).

Article I. **Introduction**

1.1 Scope. These Bylaws shall govern the operation of Sabino Springs Homeowners Association (the "Association"), an Arizona nonprofit corporation created pursuant to that certain Declaration of Covenants, Conditions and Restrictions for Sabino Springs, as originally recorded on April 16, 1993, in Docket 9522, Page 551, et seq., official records of Pima County, Arizona, and as amended from time to time (the "Declaration"). All references to the Declaration shall include any amendments.

1.2 Principal Office. The principal office of the Association shall be located in Pima County, Arizona. Meetings of Members and Directors may be held at any place within the State of Arizona, County of Pima which is designated by the Board of Directors.

Article II. **Definitions**

Capitalized terms used in these Bylaws without definition shall have the meanings specified for such terms in the Declaration. As used in these Bylaws, the term "Eligible Votes" means the total number of votes entitled to be cast by Members as of the record date for determining the Members entitled to vote at a meeting or with respect to any other lawful action including, but not limited to, action by written *or electronic* ballot or written consent.

Article III **Membership**

3.1 Members. A Member is a person who is entitled to membership as provided for in the Declaration. When more than one (1) person holds an ownership interest in any Lot, each person is a Member. Membership in the Association is subject to the following restrictions and qualifications:

3.1.1. The transfer of title to any Lot automatically transfers the membership to the new Owner of the Lot.

3.1.2. A Member must be in good standing with the Association. This means that the Member must be current in the payment of the Assessments imposed by the Association and any other sums which are due to the Association, before such person is entitled to the rights and privileges of membership, including the right to use the Common Areas, the right to vote on any matter, and the right to serve on the Board of Directors.

3.1.3. The privileges of Members shall be to vote (in accordance with Article V), to hold office, and to enjoy or benefit from the Common Areas, subject to the rules and regulations adopted by the Association.

Article IV.

Meetings of Members

4.1 Annual Meetings. The Annual Meeting of the Members shall be held in the month of April each year, with the exact date to be determined each year by the Board. At each Annual Meeting, the Members shall fill any vacancies that exist on the Board and transact such other business as may properly be brought before the meeting.

4.2 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board, or upon written demand signed by Members having at least ten percent (10%) of the Eligible Votes. The Members' meeting demand must be delivered to any corporate officer with a statement describing the purpose(s) for which the meeting is to be held. The meeting shall be scheduled by the Board within the ensuing forty-five (45) days. The close of business on the day before delivery of the demand for a special meeting shall be the record date for the purpose of determining whether the demand for the special meeting has been signed by Members having at least ten percent (10%) of the Eligible Votes.

4.3. Notice of Meetings. Written notice of each meeting of the Members shall be given by or at the direction of the Secretary (or any other person authorized to call the meeting) by mailing or hand delivering a copy of the notice to each Member, at least ten (10) days but not more than fifty (50) days before such meeting. The notice of the meeting must be addressed to the Member at the address which is reflected in the Association's books and records, or which is supplied by the Member to the Association for the purpose of such 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, it is not necessary to send another notice to the Members 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 Association may transact any business which might have been transacted at the original meeting. However, if the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each Member. By attending a meeting, a Member waives any right he/ she may have to object to the meeting on the basis that the meeting was not noticed in accordance with the Bylaws or statutes of the State of Arizona.

4.4 Quorum. Except as otherwise provided in the Articles, the Declaration or the Bylaws, the presence in person or by ~~proxy~~ absentee ballot or by voting by electronic means of Members entitled to cast at least ten percent (10%) of the votes in the Association shall constitute a quorum at any meeting of the Members. If a quorum is not present at any meeting, the Members who are entitled to vote at the meeting can vote to adjourn the meeting in accordance with the applicable provisions of Section 4.3.

4.5 Procedures for Meetings. The President or the Association's attorney shall preside over all meetings of the Members, but if the President is not present, then the Vice President or the Association's attorney shall preside over the meeting. The Secretary (or his or her designee) shall attend each meeting of the Members and take and prepare minutes reflecting the actions taken at the meeting. If the Secretary (or his or her designee) is not present, then the Chair of the meeting shall appoint another person or officer to act as the recording secretary and to perform the functions of the Secretary.

Article V. **Voting**

5.1 Voting Rights. Each Member shall be entitled to one (1) vote for each Lot owned. No change in the ownership of a Lot shall be effective for voting purposes until the Association receives written notice of such change together with satisfactory evidence of the transfer. When more than one (1) Person holds an interest in any Lot, all such Persons shall be Members. The vote for such Lot shall be exercised as the Owners may determine, but in no event shall more than one (1) vote be cast with respect to any Lot owned. Fractional votes are not allowed. In the event a Lot is owned by more than one (1) Person and such Owners are unable to agree on how their vote(s) shall be cast, they shall not be entitled to vote on the matter in question. If any Owner exercises his/her vote on any matter, it will be conclusively presumed that the Owner is acting with the authority and consent of all the other Owners of the Lot unless an objection is made to the Board, in writing, at or prior to the time the vote is cast. If more than one Person votes or attempts to exercise the vote for a particular Lot all of those votes shall be void.

5.1.1. At any meeting of the Association, the Members in good standing, as defined in Section 3.1.2, shall be entitled to vote on each matter brought before the membership. A majority of the votes cast by the Members at such meeting, provided there is a quorum, shall be the act of the membership, except as otherwise provided for in the Declaration, the Articles of Incorporation, these Bylaws or by statute.

5.1.2 Voting for the members of the Board of Directors shall take place by ~~mail-in ballot~~ absentee ballot, by voting by electronic means, or by voting at the Annual Meeting, in accordance with these Bylaws, and the results shall be made known upon the tabulation and certification of the election by the ~~Election Committee~~ Board.

5.2 Voting Procedure.

~~5.2.1. Voice Vote.~~ Either a voice vote or a show of hands shall constitute the vote on all matters except the following matters which require a ballot vote;

~~5.2.1.1 The election of all Directors;~~

~~5.2.1.2 When a majority of the Board of Directors requests a ballot vote;~~

~~5.2.1.3 When a ballot is requested by a majority of the Eligible Voters who attend the meeting;~~

~~5.2.1.4 When the Declaration or Articles of Incorporation require that the votes cast for a particular matter be in writing.~~

5.2.2 Mail Vote Absentee Ballots

5.2.2.1 ~~The Board may authorize mail in Absentee ballots shall be utilized in addition to voting at a meeting (including an Annual Meeting), and the Board may allow voting by electronic means in addition to in person voting and voting by absentee ballot on any election or vote on any issue it deems appropriate, including election of Directors.~~

~~5.2.2.2 When mail in ballots are authorized by the Board, said Absentee ballots shall be prepared and mailed to the Members at least (20) days prior to the date of the election or vote on an issue with the notice of meeting for which the ballot is valid, and the date and time set for the tabulation of the ballots in order to be counted shall be stated on the ballot, which date shall be at least seven (7) days after the date the Association mails the unvoted ballots to the Members. Ballots received on or after the date set for tabulation of the ballots shall not be counted.~~

5.2.2.3 The determination of eligibility and tabulation of votes shall proceed under the supervision of the Board of Directors or its designated committee.

5.2.2.4 Any solicitation by the Association for written ballots must specify the number of responses needed to meet the quorum requirement and the percentage of affirmative Members' votes necessary to approve each matter (other than election of Directors).

5.2.3 Procedures to be Followed When Ballots Are Used. When voting is by ballot, the following will apply:

~~5.2.3.1 Voting shall proceed under supervision of an Election Committee, appointed by the President.~~

~~5.2.3.2 The Election Committee shall be in attendance at all times during voting tabulation and during check-in at any meeting of the Members, and they shall determine whether the Members is in good standing; shall issue all of the official ballots and shall witness the placing of the ballots into the ballot boxes or the opening of mail in ballots.~~

5.2.3.3¹ Ballot boxes or mail-in absentee ballots or ballots submitted by electronic means shall remain sealed until the voting is closed, at which time they shall be opened and the votes tabulated. In the event of a tie vote, there shall be another vote solely for the purpose of breaking the tie. Upon completion of the tabulation of ballots, the results shall be certified to by the Board of Directors ~~by the Election Committee~~ and announced to the Membership either at a meeting or, if mail-in ballots are used in the absence of a meeting, by written notification to the Members.

5.2.3.4~~2~~ Ballots, envelopes, sign-in sheets, and related voting materials shall be retained for at least forty five (45) days one year after an election, after which they may be destroyed; however, the ~~Election Committee~~ Board's certification shall remain in the Association's permanent records.

5.2.3.3 One Vote per Lot. To ensure that each Lot is represented only once in the voting process, absentee ballots and ballots cast by electronic means must contain the Owner's name and Lot number. In person voters must sign-in at the meeting, and Owners must include their Lot number and name in order for their vote to be counted. The Board shall verify each Owner name and Lot number for all votes cast, including votes cast by absentee ballot or electronic means, and it shall verify that no Lot is represented more than once in the voting process.

5.3 Proxies. At all meetings of the Members, any Member can vote in person or by proxy unless mail-in ballots were used for the vote, in which case no proxy designations will be allowed. A proxy shall be in writing and signed by the Owner. It shall be valid for the meeting(s) which is designated in the proxy, including any adjournment of said meeting. All proxies must be filed with the Secretary (or his or her designee) before the meeting is called to order. Proxies may be delivered in person, by mail or by fax to the Secretary or Secretary's designee. The proxy shall be revoked upon receipt by the person presiding over the meeting of a notice of revocation signed by the Member who gave his/her proxy. An appropriate form of proxy shall be included with each Notice of Meeting mailed to Association Members. Pursuant to A.R.S. § 33-1812, votes by proxy are no longer permissible. Voting shall take place by absentee ballot or by voting in person at a meeting called for such purpose. In addition to in person and absentee ballots, votes may be cast by any other form of electronic delivery provided by the Association.

5.4 Freezing of List of Members or Fixing of Record Date. For the purpose of determining Members entitled to notice of or to vote at a meeting of Members, or in order to make a determination of Members for any other proper purpose, the Board may provide that the list of all Members shall be frozen at a specified date, not to exceed ten (10) days preceding the meeting or vote. If the list of Members shall be frozen for the purpose of determining Members entitled to notice of or to vote at a meeting of Members, such list shall be frozen for not more than ten (10) days immediately preceding such meeting. In of freezing the list of Members, the Board may fix in advance a date as the record date for any such determination of Members, such date in any case to be not more than ten (10) days prior to the date of the particular meeting of Members or the date on which the particular action requiring such determination of Members is to be taken, as applicable. If the list of Members is not frozen and no record date is fixed for the determination of Members entitled to notice if or to vote at a meeting of Members, the record date for such determination of Members shall be four o'clock in the afternoon on the day before the day on which notice of the meeting is mailed. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any continuation of such meeting following an adjournment.

ARTICLE VI.

BOARD OF DIRECTORS

6.1 Number. The Board of Directors of the Association shall consist of seven (7) persons, all of whom must be Members in good standing, as defined in Section 3.1.2. Co-owners of Lots shall not be entitled to serve on the Board of Directors at the same time. All Directors shall have all of the rights, remedies, privileges and authority accorded to Directors of the Association by the Declaration, the Articles of Incorporation, these Bylaws and applicable law.

6.2 Nomination and Election of the Board of Directors. Directors shall be elected ~~by a secret written ballot~~ at the Annual Meeting in accordance with Article V of these Bylaws. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be elected. Cumulative voting is not permitted. Any Member in good standing (as defined in Section 3.1.2) may nominate him or herself as a candidate for the next annual election by submitting a form provided by the Association to the Association's managing agent, or to the Secretary if there is no managing agent, no later than the deadline established by the Association for the submission of such form. Any Member who meets the qualifications for directors established in these Bylaws, or any other of the Association's governing documents or at law, shall be placed onto the ballot for the next annual election.

6.3 Term of Office. Election of the Board of Directors. Except for the transitional year of 2005 (see below), Directors shall be elected for a term of three (3) years, commencing upon the election of Directors at the Annual Meeting. In order to assure staggered terms so that the entire Board does not have to be re-elected in any year, in 2005, two (2) directors shall be elected to three-year terms, two (2) shall be elected to two-year terms and three (3) shall be elected to one (1) year terms. Thereafter, the same cycle shall be used. If staggered terms need to be re-established in any election year for any reason, the Board will adopt reasonable rules and regulations ~~governing the Nominating Committee's procedures~~ for the upcoming election, including a modification of terms for some of the newly-elected Directors so that staggered terms will be restored. Nothing herein shall be construed to prevent the election by the Members of any person or persons to two or more terms as director, whether or not such terms shall be consecutive.

6.4 Place of Meetings. The Board may hold its meetings at any place within Pima County designated by the Board of Directors.

6.5 Annual Board Meetings. Within thirty (30) days after each Annual Meeting of Members, the newly-elected directors shall meet forthwith for the purpose of organization, election of officers, and the transaction of other business.

6.6 Regular Meetings. Regular meetings of the Board may be held without notice to the Directors, other than ~~announcement at the close of the previous meeting~~ as described in this paragraph, and with notice to Association Members. Notice to Members of meetings of the Board of Directors shall be given at least forty-eight (48) hours prior by electronic mail, newsletter, conspicuous posting or any other reasonable means as determined by the Board of Directors in accordance with applicable law. Any notice of a Board Meeting shall state the date, time and place of the meeting. Notice to the Membership constitutes notice to Directors of said meeting. Notice to Members of a meeting of the Board is not required if emergency

circumstances require action by the Board before notice can be given. Any such action will be reviewed ~~at~~ of the next regular Board meeting and entered into the minutes of said meeting. The failure of any Member *or Director* to receive actual notice of a Board meeting does not affect the validity of any action taken at that meeting.

Except as allowed under A.R.S. § 33-1804(A), Meetings of the Board of Directors of the Association shall be conducted openly. Notices and agendas shall be provided for those meetings that contain the information that is reasonably necessary to inform the Members of the matters to be discussed or decided, and to ensure that Members have the ability to speak after discussion of agenda items, but before a vote of the Board of Directors or Members is taken. Toward this end, any person or entity that is charged with the interpretation of these provisions, including members of the Board of Directors and any community manager, shall take into account this declaration of policy and shall construe any provision of this section in favor of open meetings.

Notwithstanding the Association's ultimate goal of conducting open meetings, there are some circumstances under which the Board of Directors may meet in a closed session. At the time of these Bylaws' execution, A.R.S. § 33-1804(A)(1)-(5) allows closed sessions in the following situations: (1) To consider legal advice from an attorney for the Board or the Association, (2) To discuss pending or contemplated litigation, (3) To discuss personal, health or financial information about an individual member of the Association, an individual employee of the Association or an individual employee of a contractor for the Association, including records of the Association directly related to the personal, health or financial information about an individual member of the Association, an individual employee of the Association or an individual employee of a contractor of the Association, (4) To discuss matters relating to the job performance of, compensation of, health records of or specific complaints against an individual employee of the Association or an individual employee of a contractor of the Association, and (5) Discussion of a member's appeal of any violation cited or penalty imposed, except on the request of the affected member that the meeting be held in an open session.

~~Footnote Associated with this Section (Footnote #1): As of the date of these Bylaws, A.R.S. § 33-1804 requires at least forty eight (48) hours advance notice to Members of Board meetings by newsletter, conspicuous posting or any other reasonable means as determined by the Board.~~

6.7 Special Meetings Notice. Special meetings of the Board shall be held whenever called for in writing, by the President of the Association or by any two (2) members of the Board of Directors other than the President. The notice of any special meeting of the Board of Directors shall state the *date*, time, place and purpose of the meeting. Notice of any special meeting shall be sent to each Director either by mail, facsimile, or any other form of recorded communication, by telephone, or delivered personally not later than three (3) business days prior to the scheduled time of the meeting. Notice of special meetings of the Board also shall be given to the Association Members in accordance with applicable law. A written waiver of notice, whether given before or after the meeting to which it relates, shall be the equivalent of giving notice to the Directors who sign the waiver. Attendance of a Director at a special meeting of the Board shall constitute a waiver notice of such meeting, except when he/ she attends the meeting for the

express purpose of objecting to the transaction of any business or because the meeting is not lawfully called or convened.

6.8 Quorum. A majority of the Board, present in person, at any meeting of the Board shall constitute a quorum for the transaction of business at such meeting. *A quorum of the Board of Directors may meet by means of electronic/telephone/speakerphone conferences in a room that allows Board members and Association Members to hear all parties.* Except as otherwise stated in these Bylaws, and except as provided for by law, the vote of a majority of the Directors present at any meeting where a quorum is present shall be the act of the Board. In the absence of a quorum, a majority of the Directors present at the meeting may adjourn the meeting to another time or place.

6.9 Organization. At each meeting of the Board, the President, or if he/she is not present, then the Vice President, or if he/ she is not present, then a Director chosen by a majority of the Board of Directors present, shall act as the Chair and preside over such meeting. The Secretary, or if he/ she is not present, any person which the Chair appoints, shall act as the Secretary and keep the minutes.

6.10 Action by Directors Without a Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all of the members of the Board of Directors consent, in writing, to such action. Such consents shall be announced at and filed with the minutes of the next Board meeting. Any action by written consent has the same force and effect as any vote of the Directors. Action without a meeting may be taken only when it is not possible to assemble a quorum for a meeting and when emergency or exigent circumstances need the immediate action of the Board.

6.11 Resignations. Any Director may resign at any time by giving notice of his/her resignation to the Board of Directors. Any resignation becomes effective at the time specified in the notice; if the time is not stated in the notice, it shall take effect immediately upon its receipt by the President or the Secretary. Unless otherwise specified in the notice, the acceptance of such resignation is not necessary to make it effective.

6.12 Removal of Directors. Any Director may be removed from the Board, with or without cause, by a majority vote of the Eligible Voters of the Association. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting. A Director who ceases to be a Member of the Association automatically is removed from the Board.

6.13 Vacancies on the Board.

6.13.1. At any duly convened special meeting of the membership at which any Director is removed, a successor or successors should then and there be elected to fill the vacancy thus created.

6.13.2. Any vacancy on the Board of Directors, other than through removal by the membership, may be filled by the vote of a majority of the remaining Directors even if the remaining Directors do not constitute a quorum. Any Director appointed to fill a vacancy shall hold office for the unexpired term of the vacancy that has been filled.

6.13.3. When one (1) or more Directors resign from the Board, effective at some date in the future, a majority of the Directors, including those who have submitted their resignation, may vote to fill the vacancy with the term of the newly-appointed Directors scheduled to begin on the date the resignation becomes effective.

6.13.4. If a vacancy occurs because of the death or resignation of a Director, or for any other reason; leaving the Association with no Directors in office, then any Member may call a special meeting of Members solely for the purpose of electing members to the Board of Directors.

6.13.5. If a Director fails to assume his/her position because of death, disability or declination prior to the beginning of the term to which he/she was elected, then the person who received the next highest number of votes shall succeed to that position. If there were no unelected candidates, the other Directors shall fill the vacancy in accordance with Section 6.13.2.

6.14 Indemnification of Directors and Officers. The Association shall indemnify any Officers and Directors against all expenses incurred by them, including but not limited to legal fees, judgments and penalties which may be incurred, rendered or levied in any legal action brought against any of them arising from any action or omission alleged to have been committed while acting within the scope of authority as an Officer or Director of the Association. Whenever any Officer or Director seeks indemnification from the Association, the Board of Directors shall, at its next regular or at any special meeting held within a reasonable time after the request is made, determine in good faith whether that person acted, failed to act, or acted willfully, with gross negligence or with fraudulent or criminal intent. If the Board of Directors determines in good faith that the person did not act willfully or with gross negligence or with fraudulent or criminal intent, then it shall indemnify that person; provided, however, that the Association has the right to refuse to indemnify any person to whom indemnification would otherwise be provided if that person unreasonably refuses to permit the Association, at its own expense and through counsel of its own choosing, to defend him/her in the action.

ARTICLE VII.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 Authority of the Board. The Board of Directors shall have all the powers of an Arizona non-profit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Association's Articles of Incorporation, these Bylaws and the Declaration. The Board shall have the power to do any and all lawful things which may be

authorized, required or permitted to be done by the Association under and by virtue of said Articles, these Bylaws and the Declaration, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association.

7.2 Powers. Without limiting the generality of Section 7.1, the Board of Directors has the power to:

7.2.1. Hold and administer the assets and direct, control, manage and supervise business and affairs of the Association.

7.2.2. Enforce all applicable provisions of the Declaration, Articles of Incorporation and these Bylaws.

7.2.3. Make and publish architectural and design standards, and rules and regulations within the authority set forth in the Declaration, and to establish penalties (including but not necessarily limited to fines, probation and/ or suspension of membership or voting privileges) for the infraction thereof. There shall be copies of the complete architectural and design standards, and rules and regulations available for purchase or inspection by any Member of the Association upon request.

7.2.4. Declare the office of a member of the Board of Directors to be vacant in the event such Director is absent from three (3) consecutive regular meetings of the Board of Directors unless the Director provides a reason which is acceptable to the Board of Directors.

7.2.5. Employ or terminate the services of any independent contractor, a managing agent or such other personnel and employees as the Board deems necessary, and to prescribe their duties.

7.2.6. As more fully provided in these Bylaws and the Declaration to:

7.2.6.1. Estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Owners their respective shares of estimated expenses;

7.2.6.2. Perfect and foreclose a lien against any property for which Assessments are not paid, or to bring an action at law against the Member personally obligated to pay the same.

7.2.6.3. Pay any taxes and assessments which are, or could become, a

lien on the property owned by the Association.

7.2.7. Contract for goods and/ or services for the Common Areas, facilities, property for which the Association is responsible, and the legal interests of the Association.

7.2.8. When permitted by law, represent the Association before any and all governmental or quasi-governmental agencies, offices, groups or bodies in conjunction with any matters bearing upon or affecting the quality of life and property values of the Association's Members, including but not necessarily limited to all planning and zoning, fire protection, street lighting, public utility and similar regulatory agencies.

7.2.9 Formulate policies for the administration, management and operation of the Common Area and any Natural Open Space over which the Association holds a conservation easement or other similar interest.

7.3 Duties. It is the duty of the Board of Directors to:

7.3.1. Cause a complete record to be kept of all its acts and 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 ten percent (10%) of the Members.

7.3.2. Supervise all officers, agents and employees of this Association, and ensure that their duties are properly performed.

7.3.3. Procure and maintain adequate liability and hazard insurance on property owned by the Association, and, in its discretion, errors and omissions insurance on behalf of its Officers and Directors.

7.3.4. Provide for the operation, care, upkeep and maintenance of all of the Common Areas and to borrow money on behalf of the Association when required for the operation, upkeep and maintenance for the Common Areas.

7.3.5. Administer any Natural Open Space over which the Association holds a conservation easement or other similar interest.

7.3.6. Comply with applicable state law with respect to periodic audit, review or compilation of the Association's financial records, at the discretion of the Board. If the services

of a certified public accountant are retained, he or she shall be appointed by the Board and paid by the Association.

7.3.7. Perform any other duties or functions which are required in the Declaration, these Bylaws, the Articles of Incorporation, or applicable law.

ARTICLE VIII.

OFFICERS

8.1 Selection. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, each of whom shall be a member of the Board of Directors. At the first Board meeting held after the Annual Meeting each year, the Directors shall elect the officers of the Association, who shall serve during that calendar year and until their successors are chosen. Officers are not prohibited from succeeding themselves in office.

8.2 President. The President shall be the Chair of the Board of Directors and shall preside at and conduct all meetings of the Board and the Members. He/She shall have general supervision and direction of all the affairs of the Association in accordance with the Articles of Incorporation, these Bylaws, the Declaration and the Association Rules adopted by the Board of Directors, and shall have the authority to administer all matters not otherwise expressly delegated to the managing agent or others. He/She shall appoint the Chairs to all of the committees (with the advice and consent of the Board), ~~except the Nominating and Balloting Committee~~, and may call any special meetings of the Members of the Association and/or Board of Directors. With the approval of the Board of Directors, he/she shall execute any bonds, mortgages and other contracts, unless another person is required or permitted by law to sign such documents.

8.3 Vice President. The Vice President has such powers and performs such duties as the President or the Board may from time-to-time prescribe and shall perform such other duties as may be prescribed by these Bylaws. At the request of the President, or in case of his/her absence or inability to act, the Vice President shall perform the duties of the President and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President.

8.4 Secretary. The Secretary (or his or her designee) 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, if any, and affix it on all papers requiring said seal; provide 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. The Secretary (or his or her designee) shall ensure that all the proceedings of the meetings of the membership, and the Board of Directors, are recorded in one or more books kept for that purpose. The Secretary (or his or

her designee) is the custodian of all contracts, deeds, documents, all other indicia of title to properties owned by the Association and of its corporate records (except accounting records). Upon request, the Secretary (or his or her designee) shall make the records of the Association which are not in the custody of the Treasurer, available for inspection, at all reasonable times to any Directors or Member of the Association. All records of the Association shall be kept and maintained at the Association's office.

8.5 Treasurer. The Treasurer shall be responsible for the charge and custody of funds and securities of the Association, keeping full and accurate accounts of receipts and disbursements in books belonging to the Association, and depositing all moneys and other valuable effects in the name of and to the credit of the Association in such banks and other depositories as may be designated by the Board. The Treasurer shall be responsible for disbursing the funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements and rendering to the President and to the Directors at the regular meetings of the Board (or at such other times as they may require it), a statement of all financial transactions and an account of the financial condition of the Association; and, in general, the Treasurer shall perform all the duties incident to the office of the Treasurer and such other duties as may from time to time be assigned to the Treasurer by the Board.

8.6 Bonding. At the Board's discretion, all officers, Board members, Committee Chair and members and employees who are in any way involved in the handling of Association funds and the paid managerial personnel of the Association shall be bonded or insured in a sum to be determined by the Board of Directors.

8.7 Compensation. No compensation shall be paid to officers and Directors for their services as Officers and Directors. No remuneration shall be paid to any Officer or Director for services performed by him/her for the Association in any other capacity, unless a resolution authorizing such remuneration is unanimously adopted by the Board of Directors before the services are undertaken.

8.8 Removal. Any officer may be removed from office by the majority vote of the Directors at any regular or special meeting called for that purpose, whenever, in the Board's judgment, the best interests of the Association will be served by the removal. The removal of a person as an officer does not constitute a removal of that person from the Board of Directors, unless he/ she is also removed by the Members as set forth herein.

8.9 Vacancies. If any office becomes vacant by death, resignation, retirement, disqualification, or any other cause, the majority of the Directors may elect an officer from the members of the Board to fill that vacancy, and such officer shall hold office until the election of his/her successor.

8.10 Special Appointments. The Board may elect such other officers as the affairs of the 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.

ARTICLE IX.
COMMITTEES OF THE BOARD

The Board, by resolution adopted by a majority of the full Board, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in such resolution and permitted by law, shall have and may exercise all the authority of the Board. The Board, with or without cause, may dissolve any such committee or remove any member thereof at any time. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Board, or any member thereof, of any responsibility imposed by law.

~~**ARTICLE X.**~~
~~**NOMINATING COMMITTEE**~~

~~10.1 Composition of Committee. The Nominating Committee shall nominate candidates for the Directors' positions to be elected and filled by Members annually.~~

~~10.2 Selection of Members to Nominating Committee. The Nominating Committee shall consist only of Members in good standing, as defined in Section 3.1.2, to be chosen as follows:~~

~~10.2.1. The President, with approval of a majority of the Board of Directors shall appoint the members of this Committee. Other than the Secretary, no Director may be a member of this Committee.~~

~~10.2.2. The President shall call the first meeting of the Nominating Committee, by giving written notice to each member of the Committee at least seven (7) days prior to the date of that meeting. The Chair of the Nominating Committee shall be elected at the first meeting by a majority vote of the committee members present.~~

~~10.3 Selection of Candidates. Subject to the approval of the Board, the Nominating committee shall establish the procedure for establishing a slate of nominees for election to the Board. In addition to the Nominating Committee's slate of nominees, any Member in good standing (as defined in Section 3.1.2) may be added to the slate of candidates by submitting a form provided by the Association no later than five (5) weeks prior to the Annual Meeting or the distribution of mail-in ballots.~~

ARTICLE XI.
CONTRACTS, LOANS, CHECKS AND DEPOSITS

~~11.0.1~~ Contracts. Except as limited or restricted by the Declaration, the Articles, these Bylaws or applicable law, the Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of

the Association, and such authority may be general or confined to specific instances. No contract or other transaction between the Association and one or more of its Directors or between the Association and any corporation, firm or association in which one or more of the Directors of the Association are directors, or are financially interested, is void or voidable because of such Director or Directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his, her or their votes are counted, if the contract or transaction is just and reasonable as to the Association at the time it is authorized or approved. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

140.2 Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. No loan approved by the Board in an amount in excess of \$10,000.00 shall be contracted until approved by a vote of a two-thirds of the Eligible Votes cast, provided the quorum requirement is met.

140.3 Checks and Drafts. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall be determined by resolution of the Board.

140.4 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may elect.

ARTICLE XII. **PROCEDURE FOR AMENDMENT**

121.1 Amendment. These Bylaws may be amended at a regular or special meeting ~~or by mail-in ballot~~ of the Members, by a vote of two-thirds (2/3) of the Eligible Votes cast, provided the quorum requirement is met.

121.2 Prior Bylaws Superseded. These Bylaws shall amend, restate, supersede and replace all prior Bylaws of the Association, and all prior amendments thereto, which shall be of no further force or effect upon the adoption of these Bylaws.

ARTICLE XIII. **GENERAL PROVISIONS**

132.1 Conflicting Provisions. In the case of any conflict between the Articles and the Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and the Bylaws, the Declaration shall control.

132.2 Designation of Fiscal Year. The fiscal year of the Association shall be from January 1 to December 31.

132.3 Books and Records. The Articles, the Declaration, the Bylaws and the Association Rules (collectively, the "Community Documents") together with the books and records of account and membership and minutes of the Association shall be available for inspection by any Member during reasonable business hours at the principal office of the Association. Copies of the Community Documents may be purchased by Members at reasonable cost. The Association may charge a reasonable fee for production and photocopying of books and records requested by a Member.