

BYLAWS OF  
LAKEBROOK VILLAS II  
HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

GENERAL

1.1 Name. The name of the homeowners association (hereinafter the "Association") is LAKEBROOK VILLAS II HOMEOWNERS ASSOCIATION, INC.

1.2 Office. The principal office of the Association shall be at Post Office Box 11289, Phoenix, Maricopa County, Arizona 85061. The Association may also have offices at such other places within and without the State of Arizona as the Board of Directors may from time to time determine or the business of the Association may require.

1.3 References to Articles. Any reference made herein to the Articles will be deemed to refer to the Association's Articles of Incorporation and all amendments thereto which are on file with the Arizona Corporation Commission pursuant to A.R.S. §10-1029.

ARTICLE II

DEFINITIONS

2.1 Declaration. "Declaration" shall mean and refer to that certain Declaration of Covenants, Conditions and Restrictions for Lake Biltmore Village and the Amendments thereto, recorded in Docket 10309, Pages 118 through 152, inclusive; Docket 10402, Pages 1241 through 1244, inclusive; Docket 11307, Pages 693 through 695, inclusive; and Docket 12141, Pages 1205 through 1207, inclusive, respectively, records of the Maricopa County Recorder, and shall further refer to that certain Declaration of Horizontal Property Regime applicable to the Property recorded in the office of the County Recorder of Maricopa County, Arizona, on May 24, 1979, in Docket 13653, pages 370 through 384, inclusive, as the same was amended by First Amendment to Declaration of Horizontal Property Regime recorded in the office of the County Recorder of Maricopa County, Arizona, on October 18, 1979, in Docket 13971, pages 1595 through 1598, inclusive, and Second Amendment to Declaration of Horizontal Property Regime recorded in the office of the County Recorder of Maricopa County, Arizona, on January 23, 1980, in Docket 14173, Pages 667 through 670, inclusive, as the same may further be amended from time to time in accordance with the terms thereof. Such Declaration of Covenants, Conditions and Restrictions and any amendments thereto, Declaration of Horizontal Property Regime and any amendments thereto, shall be incorporated herein as if fully set forth.

2.2 General Definitions. The definitions contained in the Declaration are incorporated in these Bylaws by reference.

### ARTICLE III

#### MEETINGS OF MEMBERS AND VOTING RIGHTS

3.1 Place of Meeting. All meetings of Members shall be held at such reasonable place as may be fixed from time to time by the Board of Directors, by the President or Secretary of the Association, as shall be stated in the Notice of Meeting or in a duly executed Waiver of Notice.

3.2 Annual Meetings. The annual meeting of the Members shall be held on the third Monday in February of each year, at the hour of 7:30 o'clock p.m., or at such other reasonable date and time (not more than 30 days before or after such date) as shall be designated from time to time by the Board of Directors and stated in the Notice of Meeting. At the annual meeting of the Members, the same shall elect a Board of Directors and transact such other business as may properly be brought before the meeting.

3.3 Special Meetings. Special meetings of the Members may be called at any time by the President or the Board of Directors or by owners having 30% of the total votes and shall be called by the President or Secretary upon the written request of a majority of the Board of Directors or upon the written request of 30% of the Members.

3.4 Notice of Meetings. Written notice of each meeting of the Members shall be given by mailing a copy of such notice, postage prepaid, at least 10 but not more than 50 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.

3.5 Quorum. The presence at the meeting of at least 51% of the Members entitled to vote, either in person or by proxy, shall constitute a quorum at all meetings of the Members for any action except as otherwise provided by statute, the Articles of Incorporation, the Declaration, or these Bylaws. If such quorum is not present or represented, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 30 days following the preceding meeting.

3.6 Action Without a Meeting. Any action that, under the provisions of the General Non-Profit Corporation Law of

Arizona, may be taken at a meeting of the Members, may be taken without a meeting if authorized by a writing signed by all of the persons who would be entitled to vote upon such an action at a meeting and filed with the Secretary of the Association.

3.7 Waiver of Notice. Attendance of a Member at a meeting shall constitute waiver of notice of such meeting, except when such attendance at the meeting is for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Member may waive notice of any annual or special meeting of Members by executing a written notice of waiver either before or after the time of the meeting.

3.8 Proxies. At any meeting of the Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his unit. No proxy shall be voted or acted upon after 25 months from its date, unless the proxy provides for a longer period.

3.9 Membership and Voting Rights.

(a) Except as otherwise required by the Declaration, each Member shall be entitled to one vote.

(b) In the event any such condominium unit is owned by two or more persons, whether by joint tenancy, tenancy in common, community property or otherwise, the Membership as to each condominium unit shall be joint and a single Membership for such condominium unit shall be issued in the names of all, and they shall designate to the Association in writing at the time of issuance one of their number who shall hold the Membership and have the power to vote said Membership, and in the absence of such designation and until such designation is made, the Board of Directors of the Association shall make such designation.

3.10 Membership Book. The Secretary of the Association shall maintain a Membership book reflecting the names of the Members. Upon the transfer of any Unit, it shall be the obligation of the new owner to present to the Secretary his or her address along with evidence (a photostatic or machine copy of recorded document indicating such purchase shall be sufficient evidence), and the Secretary shall enter on the Membership book the name or names and address or addresses of the new owner or owners accordingly.

3.11 Record Date. The Association or the Board may fix a time not exceeding 20 days preceding the date of any meeting as a record date for the determination of Members entitled to notice of, and to vote at, any such meeting, unless evidence is received pursuant to Section 3.12 of this Article. In the event that no such record date is fixed by the Association or Board, the record

date for such determination of Members entitled to notice and to vote at any such meeting shall be the fifteenth day preceding the date of such meeting.

3.12 Eligibility to Vote. For purposes of determining the right to vote at any meeting of the Members, the information set forth in the Membership book shall be deemed conclusive except that, if any Member presents evidence as to the incorrectness of the information in the Membership book, the Secretary shall correct such Membership book pursuant to the direction of the majority of Members attending or represented at the meeting, and the right to vote shall be determined from the Membership book as corrected.

3.13 Method of Voting. Unless demanded by a majority of the Members present in person or at any meeting of the Members and entitled to vote thereat or so directed by the Chairman of the meeting, the vote thereat on any other question need not be by ballot. Upon demand by such Members for a vote by ballot on any question or at the direction of the Chairman that a vote by ballot be taken on any question, such vote shall be taken. On a vote by ballot, each ballot shall be signed by the person voting.

3.14 Majority Required. When a quorum is present at any meeting, the vote of a majority present, whether in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the statutes, Articles of Incorporation, the Declaration or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

#### ARTICLE IV

##### BOARD OF DIRECTORS

4.1 Number and Qualification. The Association shall be governed by a Board of Directors (the "Board"), consisting of not less than three (3) Members, nor more than seven (7) Members; the number of directors serving from time to time shall be fixed by the Board, and in the absence of such determination, there shall be seven (7) Members.

4.2 Election. At an election pursuant to Section 4.1 of this Article, the Members or their proxies may cast as many votes as they are entitled to exercise under the provisions of the Declaration. The candidates receiving the highest number of votes shall be deemed elected to the Board.

4.3 Removal. Any Director may be removed from the Board, with or without cause, by a vote of the Members of the Association, provided, that unless the entire Board is removed, an

individual Member shall not be removed, if the number of votes against his or her removal exceed the quotient arrived at when the total number of votes entitled to be cast is divided by one plus the authorized number of Directors. If any or all Directors are so removed, new Directors may be elected at the same meeting pursuant to the provisions of Section 4.2 of this Article.

4.4 Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of Directors may be filled in the manner provided by Arizona Revised Statutes, §10-1019, as amended from time to time.

4.5 Compensation. No Directors shall receive compensation for any service he or she may render to the Association as Director. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties. This provision shall not preclude any Director from serving the corporation in any other capacity and receiving compensation therefor. A member of a special or standing committee may be allowed like reimbursement for actual expenses incurred in the performance of his or her duties.

## ARTICLE V

### MEETINGS OF DIRECTORS

5.1 Place of Meetings. The Board of Directors of the Association may hold meetings, both regular or special, either within or without the State of Arizona.

5.2 Annual Meetings. The annual meeting of each newly elected Board of Directors shall immediately follow the annual meeting of Members in the same place as the annual meeting of Members, and no notice of such meeting to the newly elected Directors shall be necessary in order to legally hold the meeting, provided a quorum shall be present. In the event such meeting is not held, the meeting may be held at such time and place as shall be specified in the notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver by all of the Directors.

5.3 Regular Meetings. Regular meetings of the Board of Directors shall or may be held at regular intervals at such places and at such times as the Board of Directors may from time to time determine.

5.4 Special Meetings. Special meetings of the Board may be called by the President or the Secretary on one day's notice to each Director, either personally, by telegram, or by telephone, or on seven days notice to each Director by mail. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two Directors.

5.5 Quorum. A majority of the number of Directors then serving shall constitute a quorum. The concurrence of a majority of those present, if a quorum, shall be sufficient to conduct the business of the Board, except as may be otherwise specifically provided by statute, the Declaration or the Articles of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the Directors then present may adjourn the meeting to another time or place, without notice other than announcement at the meeting, until a quorum shall be present.

5.6 Telephonic Meeting. One or more directors may participate in a meeting of the Directors by means of a conference telephone conversation or any similar communications equipment by means of which all persons participating in the meeting may hear each other and participate in a meeting pursuant to this Section 5.6. Such telephonic meeting shall constitute attendance in person at such meeting.

5.7 Action Without Meeting. Unless otherwise restricted by the Articles of Incorporation, the Declaration or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof, may be taken without a meeting if all Members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

5.8 Waiver of Notice. Attendance of a Director at a meeting shall constitute waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Director may waive notice of any annual, regular or special meeting of Directors by executing a written notice of waiver either before or after the time of the meeting.

## ARTICLE VI

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1 Powers. The business and affairs of the Association shall be managed by its Board of Directors, which may exercise all such powers of the Association and do all such lawful acts as are not, by statute, the Articles of Incorporation, the Declaration or these Bylaws, directed or required to be exercised or done by the Members, including the powers to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties, including monetary fines, for the infraction thereof;

(b) Suspend the voting rights and right of a Member to use all or any part of the Common Area 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 infraction of published rules and regulations;

(c) 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;

(d) Declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from two consecutive regular meetings of the Board of Directors; and

(e) Employ a manager, an independent contractor or such other employees as it deems necessary, and to prescribe their duties.

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

(a) 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, when such statement is requested in writing by one-fourth of the Members who are entitled to vote at any special meeting;

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

(c) Fix the amount of the annual assessment against each unit at least 30 days in advance of each annual assessment period;

(d) Send written notice of each assessment to every owner subject thereto at least 30 days in advance of the commencement date of the next annual assessment period;

(e) Enforce collection of assessment in accordance with the provisions of the Declaration;

(f) Issue or 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;

(g) Procure and maintain adequate liability and hazard insurance on the property owned by the Association, including all insurance required by the Declaration;

(h) Require that all officers, employees and agents of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds, the premiums of which shall be paid by the Association; and

(i) Cause the Common Area to be maintained as provided in the Declaration, Articles of Incorporation and these Bylaws.

## ARTICLE VII

### OFFICERS AND DUTIES

7.1 Enumeration of Officers. The officers of this Association shall be a President, who shall at all times be a member of the Board of Directors, a Secretary, and a Treasurer. There may be, in addition, one or more Vice Presidents and/or such subordinate officers as the Board may from time to time, by resolution, create. Any two offices may be held by the same person except the offices of President and Secretary.

7.2 Election/Term. The officers of the Association shall be elected at the annual meeting of the Board, and each such officer shall hold office until his successor has been duly elected and qualified, or until his death, resignation or removal.

7.3 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.

7.4 Resignation and Removal. Any officer of the Association may be removed from office by a majority of the Board at any time, with or without cause. Any officer may resign at any time by giving written notice of his resignation to the Board, the President or the Secretary of the Association. Unless otherwise specified, such resignation shall take effect upon delivery thereof, and no acceptance thereof shall be necessary to make it effective.

7.5 Vacancies. A vacancy in any office may be filled by the Board or by the President in accordance with Section 7.2 hereof, and the officer so elected shall hold office until his successor is duly elected and qualified, or until his death, resignation or removal.

7.6 Duties. The duties of the officers are as follows:

(a) The President shall preside at all meetings of Members and of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall co-sign all checks and promissory notes; and shall sign all deeds, conveyances, leases, mortgages, contracts, agreements, and all other written instruments requiring execution on behalf of the Association. The President shall be a member of the Board of Directors.

(b) The Vice President(s), if any, 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.

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; 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.

(d) 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 co-sign all checks and promissory notes of the Association; keep proper books of account; cause notes of 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 meetings, and deliver a copy of each to the Members.

ARTICLE VIII

COMMITTEES

The Board may from time to time, by resolution adopted by a majority of the whole Board, designate one or more other committees. The majority of the Members of any committee so created must be Members of the Board. Any such committee shall exercise such powers as may be assigned to it by the Board.

ARTICLE IX

BOOKS AND RECORDS

The books, records, papers and governing documents of the Association shall, at the request of any Member, be subject to inspection by the Member or his duly authorized representative at a reasonable time and place to be determined by the Secretary.

The Secretary shall make available for purchase at a reasonable cost by any Member copies of the Declaration, the Articles of Incorporation and the Bylaws of the Association.

#### ARTICLE X

##### INDEMNIFICATION OF DIRECTORS, OFFICERS EMPLOYEES, MEMBERS AND AGENTS

Each Director, officer, employee, Member and agent shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him by judgment or settlement in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director, officer, employee, Member and agent of the Association, except in cases of fraud, gross negligence or bad faith of the Director or officer in the performance of his duties.

#### ARTICLE XI

##### FISCAL YEAR

The fiscal year of the Association shall be determined by a resolution of the Board.

#### ARTICLE XII

##### AMENDMENTS TO BYLAWS

The power to alter, amend or repeal these Bylaws or to adopt new bylaws shall be vested in the Board of Directors, subject to repeal or change by action of at least two-thirds (2/3) of the Members.

#### ARTICLE XIII

##### BUILDING RULES

The Board of Directors shall have the power to adopt and establish, by resolution, such building, management and operational rules and regulations as may be necessary for the maintenance, operation, management and control of the Condominium Project, and the Board of Directors may from time to time, by resolution, alter, amend, and repeal such rules and regulations. Unit Owners shall at all times obey such rules and regulations and use their best efforts to see that they are faithfully observed by their lessees and the persons over whom they have or may exercise control or supervision; it being clearly understood that such rules and regulations shall apply and be binding upon all Unit Owners of the Condominium Project. Provisions of the Declaration pertaining to rules and regulations are incorporated herein by reference and shall be deemed a part hereof.

ARTICLE XIV

CONFLICT

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

IN WITNESS WHEREOF, we, being all of the Directors of LAKEBROOK VILLAS II HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands this \_\_\_\_ day of \_\_\_\_\_, 1983.

\_\_\_\_\_  
Stanley H. Johnson

\_\_\_\_\_  
Jeff Braucher

\_\_\_\_\_  
Farrell E. Hard

\_\_\_\_\_  
Donald Ernat

\_\_\_\_\_  
Rosalie S. Deatcher

\_\_\_\_\_  
Edward Steinman

\_\_\_\_\_  
Mildred Zuckerman

YOUR FILE COPY