

AMENDED AND RESTATED BYLAWS

OF

VACATION VILLAGE OWNERS' ASSOCIATION

an Arizona non-profit corporation

TABLE OF CONTENTS

ARTICLE I	NAME, PRINCIPAL OFFICE, AND DEFINITIONS	1
1.1	Name	1
1.2	Principal Office	1
1.3	Definitions	1
ARTICLE II	ASSOCIATION: MEMBERSHIP, MEETING, QUORUM, VOTING, PROXIES	1
2.1	Membership	1
2.2	Place of Meetings	2
2.3	Annual Meetings	2
2.4	Special Meetings	2
2.5	Notice of Meetings	2
2.6	Waiver of Notice.....	3
2.7	Adjournment of Meetings.....	3
2.8	Voting Rights	3
2.9	Voting Procedures	4
2.10	Majority	6
2.11	Quorum	6
2.12	Conduct of Meetings	7
ARTICLE III	BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS	7
3.1	Governing Body; Composition	7
3.2	Number of Directors.....	7
3.3	Directors During Class "B" Membership Period.....	7
3.4	Nomination and Election Procedures	7
3.5	Term of Office.....	8
3.6	Removal of Directors and Vacancies	8
3.7	Board Meetings	10
3.8	Notice; Waiver of Notice	10
3.9	Telephonic Participation in Meetings	11
3.10	Quorum of Board of Directors.....	11

3.11	Compensation	12
3.12	Conduct and Organization of Meetings	12
3.13	Open Meetings.....	12
3.14	Action Without a Meeting.....	12
3.15	Powers and Duties.....	13
3.16	Right of Class "B" Member to Disapprove Actions.....	16
3.17	Management.....	17
ARTICLE IV Officers.....		17
4.1	Officers	17
4.2	Election and Term of Office.....	19
4.3	Removal and Vacancies.....	19
4.4	Resignation.....	19
4.5	Agreements, Contracts, Deeds, Leases, Checks, Etc	19
4.6	Compensation	20
4.7	Special Appointments	20
ARTICLE V COMMITTEES.....		20
5.1	General	20
5.2	Covenants Committee.....	20
5.3	Nominating and Election Committee.....	20
5.4	Meetings of Committee	21
ARTICLE VI INDEMNIFICATION OF DIRECTORS AND OFFICERS		21
ARTICLE VII MISCELLANEOUS.....		22
7.1	Fiscal Year.....	22
7.2	Parliamentary Rules	22
7.3	Conflicts.....	22
7.4	Books and Records	22
7.5	Notices.....	23
7.6.	Amendment.....	23

**AMENDED AND RESTATED BYLAWS
OF
VACATION VILLAGE OWNERS' ASSOCIATION
an Arizona non-profit corporation**

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2 These Amended and Restated Bylaws (these "Bylaws") of Vacation Village Owners' Association,
3 an Arizona nonprofit corporation (the "Association"), hereby amend and restate in their
4 entirety all previous Bylaws of the Association. The provisions of these Bylaws may be affected
5 from time to time by amendments to the Arizona Planned Communities Act or the Arizona Non-
6 Profit Corporations Act.
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8

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10 **ARTICLE I**
NAME, PRINCIPAL OFFICE, AND DEFINITIONS

11 **1.1 Name.** The name of the corporation is Vacation Village Owners' Association (the
12 "Association").

13 **1.2 Principal Office.** The principal office of the Association shall be located in Cochise
14 County, Arizona. The Association may have such other offices, either within or outside the State
15 of Arizona, as the Board of Directors may determine or as the affairs of the Association may
16 require.

17 **1.3 Definitions.** The words used in these Bylaws shall be given their normal,
18 commonly understood definitions. Capitalized terms shall have the same meaning as set forth
19 in that certain Declaration of Covenants, Conditions, Restrictions and Easements for Vacation
20 Village at Arizona Legends RV Resort filed in the Cochise County Public Records, as it may be
21 further amended (the "Declaration"), unless the context indicates otherwise. The term
22 "Community Documents" shall refer to the Declaration, the Articles, the Bylaws and the Rules.
23

24 **ARTICLE II**
25 **ASSOCIATION: MEMBERSHIP, MEETING, QUORUM, VOTING, PROXIES**

26 **2.1 Membership.**

27 **2.1.1 Classes.** The Association shall have two classes of Membership, Class "A" and
28 Class "B," as more fully set forth in the Declaration, the terms of which pertaining to
29 Membership are incorporated by this reference.

1 **2.1.2 Privileges.** The privileges of Membership shall be to vote (in accordance with this
2 **Article II**), to hold office, and to enjoy or benefit from the Common Areas, subject to the
3 Declaration, these Bylaws and the rules of the Association (the "Rules").

4 **2.1.3 Suspension of Privileges.** The Board, in its absolute discretion, may suspend the
5 right of an Owner, his/her family, lessees or tenants, to use any recreational facilities for
6 any period during which any assessment against any Lot owned or occupied by such
7 Owner, remains unpaid or for any violation of the Declaration or the Rules by such
8 Owner or their family, lessees or tenants. The Board also has the right to suspend the
9 voting rights of any Owner for any period in which any assessment against his/her Lot
10 remains unpaid or for any violation of the Declaration or the Rules by such Owner or
11 his/her family, lessees or tenants.

12 **2.2 Place of Meetings.** Meetings of the Association shall be held at a suitable place
13 within Cochise County, Arizona as the Board may designate, either within the Properties or
14 without, provided such place is as convenient and practical for the Members as possible.

15 **2.3 Annual Meetings.** The Members shall meet at least annually with such annual
16 meeting of the Members to be held on a date and at a time set by the Board.

17 **2.4 Special Meetings.** The President may call special meetings. In addition, it shall be
18 the duty of the President to call a special meeting if so directed by resolution of the Board or
19 upon a written petition signed by Members representing at least **25%** of the total Class "A"
20 votes of the Association. The petition shall state the purpose(s) of the proposed meeting.
21 Business transacted at a special meeting shall be confined to the purposes stated in the
22 petition. The close of business on the day before delivery of the petition for a special meeting
23 shall be the record date for the purpose of determining whether the demand for the special
24 meeting has been signed by Members having at least **25%** of the votes.

25 **2.5 Notice of Meetings.** A notice stating the place, day, and hour of any meeting of
26 the Members shall be delivered, either personally, by first class mail, by electronic mail or
27 facsimile, to each Member entitled to vote at such meeting, not less than **ten (10)** nor more
28 than **fifty (50)** days before the date of such meeting, by or at the direction of the President or
29 the Secretary or the officers or persons calling the meeting.

30 In the case of a special meeting or when otherwise required by statute or these Bylaws,
31 the purpose(s) for which the meeting is called shall be stated in the notice. No business shall be
32 transacted at a special meeting except as stated in the notice.

1 Any notice required by these Bylaws will be effective and deemed to be delivered upon
2 receipt when delivered personally; three (3) days after deposit in the United States Postal
3 Service when mailed; one (1) business day after pick-up by the courier service when sent by
4 overnight courier, properly addressed and prepaid; and on the business day after the date of
5 the sender's electronic confirmation or receipt when sent by facsimile transmission. If sent by
6 electronic mail, the notice shall be deemed delivered when sent to the intended recipient's
7 electronic mail address and not returned to sender as "undeliverable" through the electronic
8 mail server.

9 Notices will be sent to the addresses, facsimile numbers or electronic mail addresses
10 last appearing on the records of the Association.

11 **2.6 Waiver of Notice.** Waiver of notice of a meeting of the Members shall be
12 deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any
13 meeting of the Members, either before or after such meeting. Attendance at a meeting by a
14 Member shall be deemed waiver by such Member of notice of the time, date, and place
15 thereof, unless such Member specifically objects to lack of proper notice at the time the
16 meeting is called to order. Attendance at a special meeting also shall be deemed waiver of
17 notice of all business transacted at such meeting unless an objection on the basis of lack of
18 proper notice is raised before the business is put to a vote.

19 **2.7 Adjournment of Meetings.** If any meeting of the Association cannot be held
20 because a quorum is not present, a majority of the Members who are present at such meeting
21 may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from
22 the time the original meeting was called. At the reconvened meeting, if a quorum is present
23 (which quorum for such purposes shall be one-half of the quorum required for the previous
24 meeting so long as such number represents at least 10% of the votes in the Association), any
25 business may be transacted which might have been transacted at the meeting originally called.
26 If a time and place for reconvening the meeting is not fixed by those in attendance at the
27 original meeting or if for any reason a new date is fixed for reconvening the meeting after
28 adjournment, notice of the time and place for reconvening the meeting shall be given to
29 Members in the manner prescribed for regular meetings.

30 **2.8 Voting Rights.** The voting rights of the Members shall be as set forth in the
31 Declaration and in these Bylaws. When more than one (1) person holds an interest in any Lot,
32 the vote for that Lot shall be exercised as agreed upon by the Owners, but in no event shall
33 more than the votes allocated in the Declaration be cast. If the Owners of a Lot cannot agree
34 on how to cast any vote, they will lose their right to vote on the matter in question. If any
35 Member casts a vote on a particular matter, it will conclusively be presumed for all purposes

1 that the Person casting the vote was acting with the authority and consent of all of the Owners
2 of the Lot, unless an objection by any other Owner is made at the time the vote is cast. In the
3 event that more than the allocated votes are cast for a particular Lot, none of the votes shall be
4 counted and all of the votes shall be deemed void.

5 **2.9 Voting Procedures.**
6

7 **2.9.1. Proxies.** Prior to termination of the Class "B" membership, on any matter as to
8 which a Member is entitled personally to cast the vote for his Lot, such vote may be cast
9 in person or by proxy, subject to the limitations of State law relating to use of general
10 proxies and subject to any specific provision to the contrary in the Declaration or these
11 Bylaws. Every proxy shall be in writing specifying the Lot for which it is given, signed by
12 the Member or his duly authorized attorney-in-fact, dated, and filed with the Secretary
13 of the Association prior to the meeting for which it is to be effective. Unless otherwise
14 specifically provided in the proxy, a proxy shall be presumed to cover all votes which the
15 Member giving such proxy is entitled to cast, and in the event of any conflict between
16 two or more proxies purporting to cover the same voting rights, the later dated proxy
17 shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy
18 shall be revocable and shall automatically cease upon conveyance of any Unit for which
19 it was given, upon receipt by the Secretary of written notice of revocation of the proxy
20 or upon the death or judicially declared incompetence of a Member who is a natural
21 person, or eleven (11) months from the date of the proxy, unless a shorter period is
22 specified in the proxy. After the termination of the Class B membership, Members may
23 vote at Association meetings only in person or by absentee ballot (and not by proxy).

24 **2.9.2. Absentee Ballots.** After the termination of the Class B membership, the
25 Board shall provide for votes to be cast in person and by absentee ballot at any meeting
26 of the Association. When absentee ballots are used, the following procedures shall
27 apply:

28 (A) The ballot shall set forth each proposed action to be taken at the
29 meeting.

30 (B) The ballot shall provide an opportunity to vote for or against each
31 proposed action.

32 (C) The ballot is valid for only one specified election or meeting of the
33 Members and expires automatically after the completion of the election or
34 meeting.

1 (D) The ballot must specify the time and date by which the ballot must be
2 delivered to the Board in order to be counted. Ballots received after this date
3 shall not be counted.

4 (E) Ballots must be sent to Members at least ten (10) days but not more
5 than thirty (30) days prior to the date of the election or vote on an issue, and the
6 date set for the tabulation of the ballots shall be stated on the ballot.

7 (F) Absentee ballots shall be valid for the purpose of establishing a quorum
8 for the vote or election.

9 (G) The absentee ballot cannot authorize another person to cast votes on
10 behalf of the Member.

11 (H) In order to have secret ballots, the envelope in which the ballot is
12 contained must bear the signature, printed name and address of the Member.

13 2.9.3. Written Ballot. Any action that the Members may take at any annual or special
14 meeting may be taken without a meeting if the Association delivers a written ballot to every
15 Member entitled to vote on the matter.

16 (A) A written ballot shall:

17 (i) Set forth each proposed action.

18 (ii) Provide an opportunity to vote for or against each proposed
19 action.

20 (B) Approval by written ballot is valid only if both:

21 (i) The number of votes cast by ballot equals or exceeds the quorum
22 required to be present at a meeting authorizing the action.

23 (ii) The number of approvals equals or exceeds the number of votes
24 that would be required to approve the matter at a meeting at which the
25 total number of votes cast was the same as the number of votes cast by
26 ballot.

27 (C) All solicitations for votes by written ballot shall:

28 (i) Indicate the number of responses needed to meet the quorum
29 requirements.

1 (ii) State the percentage of approvals necessary to approve each
2 matter other than election of Directors.

3 (iii) Specify the time by which a ballot must be delivered to the
4 Association in order to be counted, which time shall not be less than ten
5 (10) days after the date that the Association delivers the ballot.

6 2.9.4. After termination of the Class "B" Membership, voting shall proceed under
7 supervision of the Nominating and Election Committee as follow:

8 (A) The Nominating and Election Committee shall be in attendance at all
9 times during voting tabulation and during check-in at any meeting of Members,
10 and the Committee designee(s) shall verify whether a Member is eligible to vote;
11 shall issue all of the official ballots and shall witness the placing of the ballots
12 into the ballot box at the meeting and the opening of absentee or written
13 ballots.

14 (B) The ballot box shall remain sealed until the voting is closed, at which time
15 it shall be opened and the votes tabulated. All absentee ballots and written
16 ballots received by the Association will be placed in the ballot box immediately
17 upon receipt.

18 (C) Upon completion of the tabulation of ballots, the results shall be certified
19 to the Board of Directors by the Nominating and Election Committee and
20 announced to the Membership either at a meeting or, if written ballots are used
21 in the absence of a meeting, by written notification to the Members.

22 (D) In the event of a tie vote, there shall be another vote solely for the
23 purpose of breaking the tie.

24 2.10 **Majority.** As used in these Bylaws, the term "majority" shall mean those votes of
25 Members, Owners, or other group as the context may indicate totaling more than 50% of the
26 total eligible number.

27 2.11 **Quorum.** Except as otherwise provided in these Bylaws or in the Declaration, the
28 presence in person or by absentee ballot of Members representing at least 15% of the total
29 Class "A" votes in the Association shall constitute a quorum at all meetings of the Association.
30 Until expiration of the Class B membership, the presence in person or by proxy of 15% of the
31 Class "A" Members and the Class "B" Member shall constitute a quorum at all meetings of the
32 Association.

1 Each candidate shall be given a reasonable, uniform opportunity to communicate
2 his/her qualifications to the Members and to solicit votes, in accordance with the rules
3 and regulations established by the Board.

4 **3.4.2 Election Procedures.** Each Member may cast all votes assigned to the Units
5 which it represents for each position to be filled from the slate of candidates for the
6 election. There shall be no cumulative voting. The number of candidates equal to the
7 number of positions to be filled receiving the greatest number of votes shall be elected.
8 Directors may be elected to serve any number of consecutive terms.

9 **3.5 Term of Office.** Notwithstanding any other provisions of these Bylaws; after the
10 expiration of the Class "B" Membership, each elected Director shall serve for a term of **two (2)**
11 years. Upon the expiration of the term of office of each Director elected by the Members, the
12 Members entitled to elect such Director shall be entitled to elect a successor. Directors shall
13 hold office until their respective successors have been elected and qualified. If there is a
14 possibility of no staggered terms in any election year, the Board may adopt reasonable rules
15 and regulations governing the Nominating and Election Committee's procedures for the
16 upcoming election, including a modification of terms for some of the newly-elected Directors so
17 that staggered terms will be restored.

18 **3.6 Removal of Directors and Vacancies.** This Section shall not apply to Directors
19 appointed by the Class "B" Member or to any Director serving as a representative of the
20 Declarant. The Class "B" Member shall be entitled to appoint a successor to fill any vacancy on
21 the Board resulting from the death, disability or resignation of a Director appointed by or
22 elected as a representative of the Class "B" Member.

23 **3.6.1** The Members eligible to vote and voting at a meeting of the Members called
24 pursuant to these Bylaws, at which a quorum is present, may remove any Director from
25 the Board with or without cause. For purposes of calling for removal of a Director by
26 the Members, the following apply:

27 **(A)** On receipt of a petition that calls for removal of a Director and that is
28 signed by the Members eligible to cast at least **25%** of the votes in the
29 Association, the Board shall call and provide written notice of a special meeting
30 of the Association as prescribed by these Bylaws.

31 **(B)** The special meeting shall be called, noticed and held within **thirty (30)**
32 days after the Board's receipt of the petition. The quorum requirement for this
33 special meeting is Members eligible to cast at least **20%** of the votes in the
34 Association.

1 (C) If a civil action is filed regarding the removal of a Director, the prevailing
2 party in the civil action shall be awarded its reasonable attorney fees and costs.

3 (D) The Board shall retain all documents and other records relating to the
4 proposed removal of any Director for at least one year after the date of the
5 special meeting and shall permit Members to inspect those documents and
6 records pursuant to these Bylaws and applicable law.

7 (E) A petition that calls for the removal of the same Director shall not be
8 submitted more than once during each term of office for that Director.

9 (F) On receipt of a petition that calls for removal of a Director and that is
10 signed by the Members entitled to cast at least **25%** of the votes in the
11 Association, the Board shall call and provide written notice of a special meeting
12 of the Association as prescribed by these Bylaws.

13 (G) The special meeting shall be called, noticed and held within **thirty (30)**
14 days after the Board's receipt of the petition. The quorum requirement for this
15 special meeting is **20%** of the votes in the Association.

16 (H) If a civil action is filed regarding the removal of a Director, the prevailing
17 party in the civil action shall be awarded its reasonable attorney fees and costs.

18 (I) The Board shall retain all documents and other records relating to the
19 proposed removal of any Director for at least **one (1)** year after the date of the
20 special meeting and shall permit Members to inspect those documents and
21 records pursuant to these Bylaws and applicable law.

22 (J) A petition that calls for the removal of the same Director shall not be
23 submitted more than once during each term of office for that Director.

1 **3.6.2** On removal of at least one but fewer than a majority of the Directors, the
2 remaining Directors shall appoint a successor to fill each vacancy for the remainder of
3 the term.

4 **3.6.3** On removal of a majority of the directors, the Association shall hold an election
5 for the replacement of the removed Directors at a separate meeting of the Members
6 that is held not later than **thirty (30) days** after the meeting which the Directors were
7 removed.

8 **3.6.4** If any Director has **three (3)** consecutive unexcused absences from Board
9 meetings, or is more than **ninety (90)** days delinquent (or is the representative of a
10 Member who is so delinquent) in the payment of any assessment or other charge due
11 the Association, without being excused by the President for good cause, shall be
12 deemed to have resigned from office and the Board may appoint a successor to fill the
13 vacancy for the remainder of the term.

14 **3.6.5** In the event of the death, disability, or resignation of a Director, the Board may
15 declare a vacancy and appoint a successor to fill the vacancy until the next annual
16 meeting, at which time the Members entitled to fill such Directorship may elect a
17 successor for the remainder of the term.

18 **3.6.6** Any Director which the Board appoints shall be selected from among Members.

19 **3.7 Board Meetings.**

20 **3.7.1 Organizational Meetings.** The first meeting of the Board following each annual
21 meeting of the Membership shall be held within **ten (10)** days thereafter at such time
22 and place as the Board shall fix.

23 **3.7.2 Regular Meetings.** Regular meetings of the Board may be held at such time and
24 place, within the State, as a majority of the Directors shall determine, but at least **two**
25 **(2)** such meetings shall be held during each fiscal year with at least **one (1)** during each
26 **six (6)** month period.

27 **3.7.3 Special Meetings.** Special meetings of the Board shall be held when called by
28 written notice signed by the President or Vice President or by any **two (2)** Directors.

29 **3.8 Notice; Waiver of Notice.**

30 **3.8.1** Notice of meetings of the Board of Directors shall specify the time and place of
31 the meeting and, in the case of a special meeting, the nature of any special business to

1 be considered. The notice shall be given to each Director by: (i) personal delivery; (ii)
2 first class mail, postage prepaid; (iii) telephone communication, either directly to the
3 Director or to a person at the Director's office or home who would reasonably be
4 expected to communicate such notice promptly to the Director; (iv) electronic mail with
5 confirmation of the transmission or (v) telephone facsimile with confirmation of
6 transmission. All such notices shall be given at the Director's telephone number or sent
7 to the Director's address as shown on the records of the Association. Notices sent by
8 first class mail shall be deposited into a United States mailbox at least **four (4)** business
9 days before the time set for the meeting. Notices given by personal delivery, telephone,
10 electronic mail or facsimile shall be delivered, telephoned or transmitted by telephone
11 at least **seventy-two (72)** hours before the time set for the meeting. Notice of Board
12 meetings shall also be given to the Members in accordance with applicable State law.
13 (As of the date of these Bylaws, A.R.S. §33-1804 requires **forty-eight (48)** hours advance
14 notice to members of meetings of the Board by newsletter, conspicuous posting or any
15 other reasonable means as determined by the Board.)

16 **3.8.2** The transactions of any meeting of the Board, however called and noticed or
17 wherever held, shall be as valid as though taken at a meeting duly held after regular call
18 and notice if (i) a quorum is present, and (ii) either before or after the meeting each of
19 the Directors not present signs a written waiver of notice, a consent to holding the
20 meeting, or an approval of the minutes. The waiver of notice or consent need not
21 specify the purpose of the meeting. Notice of a meeting shall also be deemed given to
22 any Director who attends the meeting without protesting before or at its
23 commencement about the lack of adequate notice.

24 **3.9 Telephonic Participation in Meetings.** Members of the Board or any committee
25 designated by the Board may participate in a meeting of the Board or committee by means of
26 conference telephone or similar communications equipment, by means of which all persons
27 participating in the meeting can hear each other. Participation in a meeting pursuant to this
28 Section shall constitute presence in person at such meeting.

29 **3.10 Quorum of Board of Directors.** At all meetings of the Board, a majority of the
30 Directors shall constitute a quorum for the transaction of business, and the votes of a majority
31 of the Directors present at a meeting at which a quorum is present shall constitute the decision
32 of the Board, unless otherwise specifically provided in these Bylaws or the Declaration. If any
33 meeting of the Board cannot be held because a quorum is not present, a majority of the
34 Directors present at such meeting may adjourn the meeting to a time not less than **five (5)** nor
35 more than **thirty (30)** days from the date of the original meeting. At the reconvened meeting, if

1 a quorum is present, any business which might have been transacted at the meeting originally
2 called may be transacted without further notice.

3 **3.11 Compensation.** Directors shall not receive any compensation from the
4 Association for acting as such unless approved by Members representing a majority of the total
5 Class "A" votes in the Association at a regular or special meeting of the Association. Any
6 Director may be reimbursed for expenses incurred on behalf of the Association upon approval
7 of a majority of the other Directors. Nothing herein shall prohibit the Association from
8 compensating a Director, or any entity with which a Director is affiliated, for services or supplies
9 furnished to the Association in a capacity other than as a Director pursuant to a contract or
10 agreement with the Association, provided that such Director's interest was made known to the
11 Board prior to entering into such contract and such contract was approved by a majority of the
12 Board of Directors, excluding the interested Director.

13 **3.12 Conduct and Organization of Meetings.** Each meeting will be conducted in
14 accordance with Section 7.2 hereof and will be called to order and thereafter chaired by the
15 President of the Association acting as the Chairperson of the Board of Directors. The
16 Association's Secretary will act as Secretary of each meeting; in his/her absence, the
17 chairperson of the meeting may appoint any person to act as Secretary. The Secretary shall
18 keep a minute book of Board meetings, recording all Board resolutions and all transactions and
19 proceedings occurring at such meetings.

20 As long as there is no showing of bad faith on his/her part, the Chairperson of a meeting
21 will, among other things, have absolute authority to determine the order of business to be
22 conducted at such meeting and to establish reasonable rules for expediting the business of the
23 meeting (including any informal, or question and answer portions thereof.)

24 **3.13 Open Meetings.** All meetings of the Board shall be open to all Members as
25 permitted under A.R.S. §33-1804(A) or any amendment thereto.

26 **3.14 Action Without a Meeting.** Any action that may be taken or is to be taken at a
27 meeting of the Directors may be taken without a meeting if a consent in writing, setting forth
28 the action so taken, is signed by all of the Directors, and such consent shall have the same force
29 and effect as a unanimous vote. Such consents may be signed in counterparts and may be
30 signed using an electronic signature. Such consents shall be announced at and filed with the
31 minutes of the next Board meeting. Action without a meeting may be taken only when it is not
32 possible to assemble a quorum for a meeting or Board action is required for immediate
33 Association business.

1 **3.15 Powers and Duties.**

2 **3.15.1 Powers.** The Board of Directors shall have all of the powers and duties necessary
3 for the administration of the Association's affairs and for performing all responsibilities
4 and exercising all rights of the Association as set forth in the Community Documents and
5 as provided by law. The Board may do or cause to be done all acts and things which the
6 Community Documents, or applicable laws do not prohibit or direct to be done and
7 exercised exclusively by the Membership generally. The powers of the Board include but
8 are not limited to the following:

9 **(A)** Hold and administer the assets and direct, control, manage and supervise
10 the business and affairs of the Association;

11 **(B)** Enforce all applicable provisions of the Community Documents;

12 **(C)** Make and publish architectural and design standards, and rules and
13 regulations within the authority set forth in the Articles of Incorporation, these
14 Bylaws, and the Declaration, and to establish penalties (including but not
15 necessarily limited to fines, probation and/or suspension of membership or
16 voting privileges) for the infraction thereof. There shall be copies of the
17 complete architectural and design standards, and rules and regulations available
18 for purchase or inspection by any Member of the Association upon request;

19 **(D)** Employ or terminate the services of any independent contractor, a
20 managing agent or such other personnel and employees as the Board deems
21 necessary, and to prescribe their duties;

22 **(E)** As more fully provided in these Bylaws and the Declaration to:

23 **(i)** Establish and collect the amount of Annual and Special
24 Assessments from each Member.

25 **(ii)** Perfect and foreclose a lien against any property for which Annual
26 or Special Assessments are not paid, or to bring an action at law against
27 the Member personally obligated to pay the same.

28 **(iii)** Pay any taxes and assessments which are, or could become, a lien
29 on the property owned by the Association.

1 (iv) Contract for goods and/or services for the Common Areas,
2 facilities, property for which the Association is responsible, and the legal
3 interests of the Association.

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

10 (vi) Assign parking places and to grant and convey easements,
11 licenses or rights-of-way in accordance with the terms of the Declaration.

12 (vii) Borrow money for maintenance or improvement of Common
13 Areas and to mortgage, pledge, or hypothecate any or all of the
14 Association's real or personal property as security for money borrowed or
15 debts incurred, subject to the approval requirements set forth in the
16 Declaration.

17 **3.15.2 Duties.** The duties of the Board shall include, without limitation:

18 (A) Preparing and adopting, in accordance with the Declaration, an annual
19 budget establishing each Owner's assessment for his/her share of the common
20 expenses, which budget shall include, but not necessarily be limited to the
21 estimated revenue and expenses and the annual cash reserves available for
22 replacement and major repairs of the Association's facilities;

23 (B) Levying and collecting such assessments from the Owners;

24 (C) Distributing a summary of the budget for each fiscal year to the
25 Membership not less than **thirty (30)** days prior to the beginning of the fiscal
26 year;

27 (D) Complying with applicable state law with respect to periodic audit,
28 review or compilation of the Association's financial records, at the discretion of
29 the Board, provided that if the services of a certified public accountant are
30 retained, he or she shall be appointed by the Board and paid by the Association.

1 (As of the date of these Bylaws, A.R.S. §33-1810 requires the Board to provide
2 for an annual financial audit, review or compilation of the Association's financial
3 records);

4
5 (E) Providing for the operation, care, upkeep, and maintenance of the Areas
6 of Common Responsibility;

7 (F) Designating, hiring, and dismissing the personnel necessary to carry out
8 the rights and responsibilities of the Association and where appropriate,
9 providing for the compensation of such personnel and for the purchase of
10 equipment, supplies, and materials to be used by such personnel in the
11 performance of their duties;

12 (G) Supervising all officers, agents and employees of the Association and
13 ensuring that their duties are properly performed;

14 (H) Depositing all funds received on behalf of the Association in a bank
15 depository which it shall approve, and using such funds to operate the
16 Association; provided, any reserve funds may be deposited, in the Directors' best
17 business judgment, in depositories other than banks;

18 (I) Making and amending use restrictions and rules in accordance with the
19 Declaration;

20 (J) Opening of bank accounts on behalf of the Association and designating
21 the signatories required;

22 (K) Making or contracting for the making of repairs, additions, and
23 improvements to or alterations of the Common Area in accordance with the
24 Declaration and these Bylaws, including borrowing money on behalf of the
25 Association when required therefore;

26 (L) Enforcing by legal means the provisions of the Community Documents
27 and bringing any proceedings which may be instituted on behalf of or against the
28 Owners concerning the Association; provided, the Association shall not be
29 obligated to take action to enforce any covenant, restriction or rule which the
30 Board in the exercise of its business judgment determines is, or is likely to be
31 construed as, inconsistent with applicable law, or in any case in which the Board
32 reasonably determines that the Association's position is not strong enough to
33 justify taking enforcement action;

1 (M) Obtaining, maintaining and carrying property and liability insurance and
2 fidelity bonds, as provided in the Declaration, and, in the discretion of the Board,
3 errors and omissions insurance on behalf of the Association's Officers and
4 Directors, paying the cost of all such insurance and/or fidelity bonds, and filing
5 and adjusting claims, as appropriate;

6 (N) Paying the cost of all services rendered to the Association;

7 (O) Keeping books with detailed accounts of the receipts and expenditures of
8 the Association;

9 (P) Making available to any prospective purchaser of a Unit, any Owner, and
10 the holders, insurers, and guarantors of any Mortgage on any Unit, current
11 copies of the Community Documents and all other books, records, and financial
12 statements of the Association as provided in Section 7.4 hereof;

13 (Q) Permitting utility suppliers to use portions of the Common Area
14 reasonably necessary to the ongoing development or operation of the
15 Properties;

16 (R) Indemnifying a Director, officer or committee member, or former
17 Director, officer or committee member of the Association to the extent such
18 indemnity is required by State of Arizona law of the Community Documents;

19 (S) Performing any other duties or functions which are required in the
20 Community Documents or applicable law.

21 **3.16 Right of Class "B" Member to Disapprove Actions.** So long as the Class "B"
22 membership exists, the Class "B" Member shall have a right to disapprove any action, policy or
23 program of the Association, the Board and any committee which, in the sole judgment of the
24 Class "B" Member, would tend to impair rights of the Declarant under the Declaration or these
25 Bylaws, or interfere with development or construction of any portion of the Properties, or
26 diminish the level of services being provided by the Association.

27 (a) The Class "B" Member shall be given written notice of all meetings and
28 proposed actions approved at meetings (or by absentee ballots or written
29 consent in lieu of a meeting) of the Association, the Board or any committee.
30 Such notice shall be given by certified mail, return receipt requested, or by
31 personal delivery at the address it has registered with the Secretary of the
32 Association, which notice complies as to the Board meetings with Sections 3.8,

1 may appoint such other officers, including one or more Assistant Secretaries and one or more
2 Assistant Treasurers, as it shall deem desirable, such officers to have such authority and
3 perform such duties as the Board prescribes. Any two or more offices may be held by the same
4 person, except the offices of President and Secretary.

5 **4.1.1 President.** The President shall be the Chair of the Board of Directors and shall
6 preside at and conduct all meetings of the Board and the Members. The President shall
7 see that orders and resolution of the Board are carried out; shall sign all leases,
8 mortgages, deeds and other written instruments and agreements; and shall co-sign all
9 promissory notes.

10 **4.1.2 Vice President.** The Vice President has such powers and performs such duties as
11 the President or the Board may from time-to-time prescribe and shall perform such
12 other duties as may be prescribed by these Bylaws. At the request of the President, or in
13 case of his/her absence or inability to act, the Vice President shall perform the duties of
14 the President and, when so acting, shall have all the powers of, and be subject to all the
15 restrictions upon, the President.

16 **4.1.3 Secretary.** The Secretary (or his/her designee) shall record the votes and keep
17 the minutes of all meetings and proceedings of the Board and of the Members; provide
18 notice of meetings of the Board and of the Members; keep appropriate current records
19 showing the Members of the Association together with their addresses, and shall
20 perform such other duties as required by the Board. The Secretary (or his/her designee)
21 shall ensure that all the proceedings of the membership, and the Board of Directors, are
22 recorded in one or more books kept for that purpose. The Secretary (or his/her
23 designee) is the custodian of all contracts, deeds, documents, all other indicia of title to
24 properties owned by the Association and of its corporate records (except accounting
25 records). Upon request, the Secretary (or his/her designee) shall make the records of
26 the Association which are not in the custody of the Treasurer, available for inspection,
27 at all reasonable times to any Director or Member. All records of the Association shall be
28 kept and maintained at the Association's principal office.

29 **4.1.4 Treasurer.** The Treasurer is responsible for supervising all of the funds and
30 securities of the Association, official records, documents, ledgers and accounts involving
31 the financial business of the Association. All financial records and documents shall be
32 kept and maintained at the Association's principal office. The Treasurer shall see to it
33 that the Association's funds are deposited to the account of the Association in such
34 bank(s) which are federally insured and/or shall use said funds to purchase U.S. Treasury
35 Notes, Certificates of Deposits or other obligations of the Federal Government or

1 agencies thereof, as designated by the Board of Directors. The Treasurer (or his/her
2 designee) shall prepare the annual operating and capital budget for the Association,
3 which shall include, but not be limited to, the following: estimated revenue and
4 expenses and the annual cash reserves available for replacement and major repairs of
5 the Association's facilities. This must be completed in a timely fashion, so that the
6 Board can approve the budget no later than the November Board meeting. The
7 Treasurer also shall issue financial statements when required, and perform such other
8 duties as ordinarily pertain to that office. The Board of Directors may appoint an
9 Assistant Treasurer who shall, in the absence or incapacity of the Treasurer, have the
10 powers, duties and the responsibilities of the Treasurer. The Treasurer shall signor
11 monitor all checks of the Association and shall sign all Promissory Notes of the
12 Association.

13 **4.1.5 Bonding.** At the Board's discretion, all officers, Directors, Committee Chairs and
14 members and employees, who are in any way involved in the handling of Association
15 funds, and the paid managerial personnel of the Association shall be bonded or insured
16 in a sum to be determined by the Board of Directors.

17 **4.2 Election and Term of Office.** The Board shall elect the officers of the Association
18 at the first meeting of the Board following each annual meeting of the Members, to serve for
19 **one (1) year** or until their successors are elected.

20 **4.3 Removal and Vacancies.** The Board may remove any officer whenever in its
21 judgment the best interests of the Association will be served, and may fill any vacancy in any
22 office arising because of death, resignation, removal, or otherwise, for the unexpired portion of
23 the term.

24 **4.4 Resignation.** Any officer may resign at any time by giving written notice to the
25 Board of Directors, the President, or the Secretary. Such resignation shall take effect on the
26 date of the receipt of such notice or at any later time specified therein, and unless otherwise
27 specified therein, the acceptance of such resignation shall not be necessary to make it effective.

28 **4.5 Agreements, Contracts, Deeds, Leases, Checks, Etc.** All agreements, contracts,
29 deeds, leases, checks, and other instruments of the Association shall be executed by at least
30 two officers or by such other person or persons as may be designated by Board resolution.

31 Any contracts, licenses or leases entered into by the Association while there are one or
32 more Class "B" Members shall provide for termination by either party thereto, with or without
33 cause and without payment of a termination fee, at any time after there are no Class "B"
34 members, upon **ninety (90) days'** prior written notice.

1 Notwithstanding the prior provision, any contract entered into at any time by the
2 Association for services of the Declarant shall provide for termination at any time by either
3 party thereto without cause and without payment of a termination fee, upon ninety (90) days'
4 prior written notice. The terms of such contract, license or lease shall not exceed three (3)
5 years.

6 **4.6 Compensation.** Compensation of officers shall be subject to the same
7 limitations as compensation of Directors under **Section 3.11**.

8 **4.7 Special Appointments.** As set forth in **Section 4.1** above, the Board may elect
9 such other officers as the affairs of the Association may require, each of whom shall hold office
10 for such period, have such authority, and perform such duties as the Board may, from time-to-
11 time, determine.

12 **ARTICLE V**
13 **COMMITTEES**

14 **5.1 General.** The Board may appoint such committees as it deems necessary and
15 appropriate to properly and effectively carry on the affairs of the Association. Each committee
16 created by the Board shall perform such tasks and serve for such periods as the Board may
17 designate by resolution. Each committee shall operate in accordance with the terms of such
18 resolution. Other than the committees established herein, any committee may be abolished or
19 any committee member may be removed from a committee, with or without cause, by a
20 majority vote of the board, provided a quorum is present. The Nominating and Election
21 Committee shall be formed in accordance with **Section 5.3** below. A committee may exercise
22 the powers specifically granted to it herein and/or by the Chairperson of the Board, which
23 generally will include the delegated authority to take action on behalf of the Board of Directors.

24 **5.2 Covenants Committee.** In addition to any other committees which the Board
25 may establish pursuant to **Section 5.1**, the Board may appoint a Covenants Committee
26 consisting of at least three and no more than five Members. Acting in accordance with the
27 provisions of the Community Documents, the Covenants Committee, if established, shall be the
28 hearing tribunal of the Association and shall conduct all hearings in accordance with
29 enforcement procedures established by the Board of Directors.

30 **5.3 Nominating and Election Committee.**

31 **5.3.1 Purpose and Term of Committee.** The Nominating and Election Committee, if
32 any, shall nominate candidates for the Directors' positions to be elected and filled by
33 the Members annually. The members of this Committee shall oversee all elections

1 during a one-year term that begins at least **one hundred twenty (120)** days before the
2 annual Meeting each year.

3 **5.3.2 Selection of Members to Nominating and Election Committee.** The Nominating
4 and Election committee shall consist only of Owners and shall be chosen as follows: The
5 President, with the approval of a majority of the Board of Directors shall appoint the
6 members of this Committee. Other than the Secretary, no Director may be a member of
7 this Committee, and the appointment of the Secretary and the Committee Chairperson
8 are at the discretion of the President.

9 **5.3.3 Notice of Initial Meeting.** The President shall call the first meeting of the
10 Nominating and Election Committee, by giving written notice to each member of the
11 Committee at least **seven (7)** days prior to the date of that meeting.

12 **5.3.4 Selection of Candidates.**

13 (A) The Committee or any Member of the Association may submit the names
14 of prospective candidates for the Board positions to be elected by the Members.
15 The name of each prospective candidate shall be submitted in writing to the
16 Nominating and Election Committee at the general office of the Association,
17 together with a resume on a form provided by the Association.

18 (B) The Nominating and Election Committee shall prepare and announce a
19 slate of candidates, which shall be mailed to Members with the Notice of Annual
20 Meeting of the Association. In making its nominations, the Nominating and
21 Election Committee shall use reasonable efforts to nominate candidates
22 representing the diversity which exists within the pool of potential candidates.

23 (C) In addition to the Nominating and Election Committee's slate of
24 nominees, any Member in good standing may be added to the slate of
25 candidates by "write in" on the ballot. Each election ballot shall have at least
26 two lines for "write in" candidates.

27 **5.4 Meetings of Committee.** The meetings of the Nominating and Election
28 Committee shall be open to any member of the Board of Directors who wishes to attend and
29 observe the operations of the Committee.

30 **ARTICLE VI**
31 **INDEMNIFICATION OF DIRECTORS AND OFFICERS**

32 Every officer, Director, or committee member duly authorized by the Board of the

1 Association may be indemnified by the Association against all expenses, liabilities and penalties,
2 including attorney fees, reasonably incurred by or imposed upon them in connection with any
3 proceeding to which they may be made a party or in which they may become involved by
4 reason of any acts or omissions alleged to have been committed by them while acting within
5 the scope of their employment as a Director, officer, or committee member of the Association,
6 including any settlement thereof, provided that the Board of Directors determines that such
7 person acted in good faith and did not act, fail to act or refuse to act willfully in gross
8 negligence, or with fraudulent or criminal intent in regard to the matter involved in the action
9 or proceeding.

10
11 The Association shall have the power to purchase and maintain insurance on behalf of
12 any person who is or was a Director, officer, or committee member of the Association, or was
13 serving at the request of the Association as a Director or officer or committee member against
14 any liability asserted against them and incurred by them in any such capacity or arising out of
15 their status as such, whether or not the Association would have had the power to indemnify
16 them against such liability under this Article.

17
18 The right of indemnification hereinabove provided shall not be exclusive of any rights to
19 which any Director, officer or committee member of the Association may otherwise be entitled
20 by law.

21 **ARTICLE VII**
22 **MISCELLANEOUS**

23 **7.1 Fiscal Year.** The fiscal year of the Association shall be **January 1st to December**
24 **31st** unless the Board establishes a different fiscal year by resolution.

25 **7.2 Parliamentary Rules.** Except as may be modified by Board resolution, **Robert's**
26 **Rules of Order** (current edition) shall govern the conduct of Association proceedings when not
27 in conflict with State law, the Articles of Incorporation, the Declaration, or these Bylaws.

28 **7.3 Conflicts.** If there are conflicts between the provisions of State law, the Articles
29 of Incorporation, the Declaration, and these Bylaws, the provisions of State law, the
30 Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

31 **7.4 Books and Records.** All financial and other records of the Association shall be
32 made reasonably available for examination by any Member or any person designated by the
33 member in writing as the Member's representative. The Association shall have **ten (10)**
34 business days to fulfill a request for examination, which must be made in writing. Books and
35 records kept by or on behalf of the Association and the Board may be withheld from disclosure
36 to the extent set forth in **A.R.S. §33-1805** or any other pertinent statute.

1 **7.5. Notices.** Except as otherwise provided in the Declaration or these Bylaws, all
2 notices, demands, bills, statements, or other communications under the Declaration or these
3 Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally
4 or if sent by United States mail, first class postage prepaid:

5 **7.5.1** If to a Member, at the address which the Member has designated in writing and
6 filed with the Secretary or, if no such address has been designated, at the address of the
7 Unit of such Member; -or

8 **7.5.2** If to the Association, the Board, or the managing agent, at the principal office of
9 the Association or the managing agent or at such other address as shall be designated
10 by notice in writing to the Members pursuant to this Section.

11 **7.6. Amendment.** These Bylaws may be amended by the affirmative vote of **2/3rds**
12 of the Membership present in person or by absentee ballot at any Annual or Special Meeting of
13 Members, provided a quorum is present. These Bylaws shall not be amended to contain any
14 provisions that would be contrary to or inconsistent with the Declaration or the Articles. Any
15 provisions or purported amendment or modification to these Bylaws that is contrary to or
16 inconsistent with the Declaration or the Articles shall be void to the extent of the inconsistency.

CERTIFICATION

The undersigned President of VACATION VILLAGE OWNERS' ASSOCIATION, an Arizona nonprofit corporation does hereby certify that the foregoing Bylaws constitute the official Bylaws of the Association, as duly adopted by the affirmative vote of at least 75% of the Property Owners in Vacation Village, effective on the 30th day of June, 2017.

VACATION VILLAGE OWNERS' ASSOCIATION

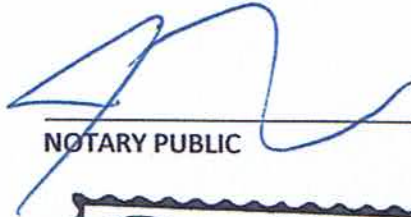
By: 
Bill B. Blomgren, President

ATTEST:

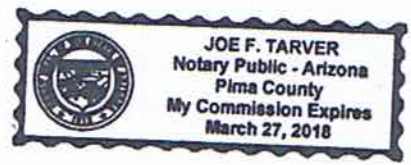
By: 
Its: Secretary

STATE OF ARIZONA)
 : ss:
County of Pima)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 8th day of July, 2017, by Bill Blomgren, President, of VACATION VILLAGE OWNERS' ASSOCIATION, an Arizona non-profit corporation, on behalf of the corporation.



NOTARY PUBLIC



STATE OF ARIZONA)
 : ss:
County of Pima)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 8th day of July, 2017, by Larilyn Blomgren, Secretary, of VACATION VILLAGE OWNERS' ASSOCIATION, an Arizona non-profit corporation, on behalf of the corporation.



NOTARY PUBLIC

