

**BYLAWS**  
**OF**  
**CAMINO DEL REY HOMEOWNERS ASSOCIATION, INC.**

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# BYLAWS

## OF

### CAMINO DEL REY HOMEOWNERS ASSOCIATION, INC.

#### **Article 1: General**

Section 1. Purpose: Camino Del Rey Homeowners Association, Inc., is an Arizona nonprofit corporation organized for the purpose of acting as the council of Owners and co-owners, pursuant to a Declaration of Covenants, Conditions and Restrictions for Camino Del Rey, recorded in the Maricopa County Recorder's Office.

Section 2. Conflicts with Declaration: Should any provision of these Bylaws be inconsistent or in conflict with any provision of the Declaration, such provision of the Declaration shall supersede and take preference over any such provision of these Bylaws.

Section 3. Application of Bylaws: All present and future Owners, Occupants and employees shall be subject to and bound by all of the provisions of these Bylaws. The act of Ownership or the mere Occupancy of a Lot shall establish a conclusive presumption that these Bylaws are accepted, ratified and will be complied with by such Owners, et al.

#### **Article 2: Definitions**

Definitions: As used herein, unless the context otherwise requires, the following terms shall have the following meanings:

- 2.1 Association** shall mean Camino Del Rey Homeowners Association, Inc., an Arizona nonprofit corporation, its successors and assigns and, unless otherwise provided, shall mean and include the Board of Directors of the Association.
- 2.2 Board** shall mean the Board of Directors of the Association.
- 2.3 Common Areas** shall mean all of the real Property designated as Tracts A through L on the Plat attached to the Declaration as Exhibit "B" and as used herein shall have the same meaning as in the Declaration.
- 2.4 Common Expenses** shall mean the expenses for the operation, maintenance, repair and restoration of the Common Areas, including but not limited to salaries, wages, payroll taxes, real Property taxes and assessments, attorneys and accountants fees, supplies, materials, parts, services, maintenance, repairs and replacements, landscaping, insurance, fuel, power and adequate reserves for the restoration and replacement of the Common

Areas and appurtenances thereto. Common Expenses shall include those Common Expenses identified in the Declaration, Article 13.

- 2.5 Declaration** shall mean the Declaration of Covenants, Conditions and Restrictions for Camino Del Rey recorded in the Maricopa County Recorder's Office.
- 2.6 Lot** means each of the 122 numbered parcels of real Property designated on the Plat attached to the Declaration as Exhibit "B" together with all improvements constructed thereon.
- 2.7 Majority or Majority of Members** shall mean the Owners holding more than fifty percent (50%) of the votes entitled to be cast with respect to the affairs of the Association.
- 2.8 Member** shall mean an Owner of a Lot. If a Member is a corporation or a partnership, the Member shall be represented by an officer, partner, agent or authorized employee of such Member.
- 2.9 Mortgage** means any recorded, filed or otherwise perfected instrument given in good faith and for valuable consideration which is not fraudulent conveyance under Arizona law as security for the performance of an obligation, including without limitation a deed of trust, but shall not include any instrument creating or evidencing solely a security interest arising under the Uniform Commercial Code.
- 2.9.1 First Mortgage** means a Mortgage which is the first and most senior of all Mortgages on the same Property.
- 2.10 Occupant** means a person or persons, other than the Owner, in rightful possession of a Lot.
- 2.11 Owner** means the record owner, whether one or more persons or entities, of the fee simple title, whether or not subject to any Mortgage, to any Lot, including a purchaser under an agreement for sale within the meaning of A.R.S. 33-741, but excluding those having such interest merely for the security for the performance of an obligation. In the case of Lots, the fee simple title to which is vested of record in a Trustee pursuant to A.R.S. 33-801 *et seq.*, the Trustor shall be deemed to be the owner thereof.
- 2.12 Person** shall mean a natural individual, corporation, partnership, trustee or other entity capable of holding real Property.
- 2.13 Single Family Residence** shall mean a home on one Lot used as a residence for a single family.
- 2.14** Other words and terms used in these Bylaws shall have the same meaning as set forth in the Declarations except where the context requires a different meaning.

**Article 3: Members**

Section 1. Eligibility: The Membership of the Association shall consist of all Owners of Lots in Camino Del Rey in accordance with the Declaration. Membership in the Association shall be mandatory and no Owner during his/her Ownership of a Lot shall have the right to relinquish or terminate their Membership.

Section 2. Succession: The Membership of each Lot Owner shall terminate when he/she ceases to be an Owner of a Lot, and the Membership shall automatically be transferred to the new Owner(s) succeeding to such Ownership interest.

**Article 4: Board of Directors**

Section 1. Number: All business of the Association shall be managed by a Board of not less than five (5) but no more than seven (7) Directors.

Section 2. Term of Office: The term of office for Directors shall be three (3) years or the unexpired term of office of a Director who did not complete their term.

Section 3. Qualifications: Each Director shall be a Member who is in compliance with the provisions in the Declaration of Covenants, Conditions and Restrictions (CC&Rs) and Rules and Regulations. If a Director no longer meets such qualifications during his/her term, he/she will cease to be a Director, and that position on the Board shall be deemed vacant.

Section 4. Removal: Any Director may be removed from the Board with cause by a Majority vote of the Members of the Association.

Section 5. Resignation: Any Director may resign by giving written notice to the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified in the notice. Unless noted, the acceptance of such resignation shall not be necessary to make it effective. Should same Member become a Director at a later date and subsequently resign again for the second time, such Member will be ineligible for the next five (5) years to hold any future position on the Board or Committee.

Section 6. Vacancies: In the event of the death, disqualification, resignation or removal of a Director, a successor may be selected to fill that vacancy by a Majority of the remaining Board members and shall serve until the next Annual Meeting.

Section 7. Compensation: No Director shall receive compensation for services rendered to the Association. This is a volunteer position. However, any Director may be reimbursed for actual expenses incurred in performing services for the Association.

**Article 4A: Duties of Directors**

Section 4 A1. Common Areas: It shall be the duty of the Board of Directors to:

A1(a). administer, operate, maintain and repair the Common Areas; to engage the services of an agent to maintain, replace, administer, and operate the Common Areas, or any part thereof, for all of the Members, upon such terms and such compensations the Board may approve.

A1(a.1) Any agreement for the services of such agent shall provide for termination by the Association, with or without cause, and without payment of a termination fee or penalty, upon thirty (30) days written notice, and no such agreement shall be of a duration in excess of one (1) year, renewable by agreement of the parties for successive one (1) year periods provided appropriate insurance and licensing is current.

A1(b). make repairs within the boundaries of the individual Lots where such repairs are required for the welfare or safety of other Lot Owners or for the preservation and protection of the Common Areas.

A1(c). grant or relocate easements over, across or through the Common Areas as the Board may determine to be beneficial to the Members.

Section 4 A2. Assessments: The Board of Directors shall:

A2(a). determine the Common Expenses of the Association at least thirty (30) days in advance of each annual assessment period, and to send notice of each Member's proportional share of the Common Expenses to every subject thereto.

A2(b). record a notice and claim of lien against any Lot for which assessments are not paid, and foreclose the same within a reasonable time and bring an action at law against the Member personally obligated to pay the same.

A2(c). issue or cause an appropriate Officer to issue, upon written request by any Person having an interest in any Lot, a statement setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such statement. If the statement shows that an assessment has been paid, such statement shall be conclusive evidence of such payment.

A2(d). suspend the right of a Member(s) to vote and deny use of the Common Areas to the Member(s) and Occupant(s) during any period in which such Member shall be in default of any assessment levied by the Association.

Section 4 A3. Rules and Regulations: It shall be the duty of the Board of Directors to:

A3(a). adopt and publish Rules and Regulations governing the use of the Common Areas and related facilities and the conduct of Members and their Guests thereon.

A3(b). penalize or levy and collect a fine for infractions of a restriction, Rule or Regulation that has not otherwise been resolved to the satisfaction of the Board.

A3(c). suspend the right of a Member to vote and deny use of the Common Areas to the Member(s) and Occupant(s) after notice and hearing, for a period not to exceed sixty (60) days, for infractions of published Rules and Regulations.

Section 4 A4. Administrative: It shall be the duty of the Board of Directors to:

A4(a). cause all Directors and employees having fiscal responsibilities to be bonded by fidelity bonds in accordance with the provisions of the Declaration.

A4(b). procure and maintain adequate casualty and liability insurance as more fully provided in the Declaration.

A4(c). keep a complete record of all acts and corporate affairs and present a statement thereof to the Members at the Annual Meeting of the Members, or at any Special Meeting when such statement is requested in writing by one-fourth (1/4) of the Members eligible to vote.

A4(d). declare the office of a Member of the Board to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board except for the summer recess.

A4(e). impose fines, dues, assessments, transfer fees and Common Area maintenance fees on its Members.

A4(f). cause an internal Review, or if it deems necessary, an Audit of the financial statements of the Association by a Certified Public Accountant.

A4(g). exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation or the Declaration.

#### **Article 4B: Officers**

Section 4B1: Officers. The officers of the Association, all of whom shall be Members of the Board of Directors, shall be President, Vice-President, Secretary and Treasurer.

Section 4B2: Multiple Offices. Any two or more offices may be held by the same Person except the offices of President and Secretary.

## **Article 4C: Duties of Officers**

**Section 4C1: President.** The President shall supervise all of the business and affairs of the Association. The President shall, when present, preside at all meetings of the Members and Meetings of the Board. The President may sign, along with another Officer, the instruments which the Board has authorized to be executed, except where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other Officer or agent of the corporation or shall be required by law to be otherwise signed or executed.

**Section 4C2: Vice-President.** In the absence of the President, or in the event of his/her inability or refusal 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 of the restrictions of the President.

**Section 4C3: Secretary.** The Secretary shall keep the minutes of the meetings of the Members of the Board; see that all notices are duly given in accordance with the provisions of these Bylaws; or as required by law; be custodian of the records of the Association, keep a register of the name, post office address, and emergency contact information of each Member as furnished by each Member; and have general charge of the records of the Association.

**Section 4C4: Treasurer.** The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association; receive and give receipts for all monies due and payable to the Association from any source whatsoever, and deposit all monies in the name of the Association in such banks, trust companies or other depositories as shall be directed by the Board; shall co-sign all checks and promissory notes of the Association (In the absence of the Treasurer, another Officer shall co-sign.); shall keep proper books of account; and shall help prepare an annual budget and a statement of income and expenditures to be presented to the Members at the regular Annual Meeting of the Members.

## **Article 5: Meetings.**

**Section 1. Regular Meetings:** Regular meetings of the Board shall be held monthly with notice, at such place and hour as may be established from time to time by resolution of the Board. Should the date of any meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day that is not a legal holiday. The Board may, with notice, cancel the regular monthly meetings of June, July, August and/or September.

**Section 2. Annual Meeting:** The Annual Meeting of the Members shall be held at 7:30 p.m. on the third Wednesday in January of each year at Camino Del Rey.

**Section 3. Special Meetings:** Special Meetings shall be held when called by the President, by a Majority of the Board, or upon written request from more than one-fourth (1/4) of the Members. Special Meetings will be held after not less than three (3) days notice to Members.

**Section 4. Notice of Meetings:** Written notice of each meeting of the Members, except the Annual Meeting, shall be given by or at the direction of the Secretary or person authorized to call the meeting. Such notice shall be posted on the bulletin board and shall be given to each Member at least ten (10) days but not more than fifty (50) days prior to the date of such meeting, by

hand delivery, by e-mail, or by mailing to the Member's address of record. Such notice shall specify the date, place, hour and purpose of the meeting.

Section 5. Quorum of Directors: A Majority of the Directors shall constitute a Quorum for the transaction of business. Every act done or decision made by a Majority of the Directors present at a duly held meeting at which a Quorum is present shall be regarded as an act of the Board.

Section 6. Quorum of Members: The presence at a meeting of Members representing one-tenth (1/10) of the Membership shall constitute a Quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such Quorum shall not be represented at any meeting, the Members entitled to vote at the meeting shall have the power to adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a Quorum shall be present or represented.

**Article 6: Committees.**

Section 1. General: Committees shall serve at the pleasure of the Board. Committee Chairpersons shall be appointed by the Board. Chairpersons and Committee persons shall be Members of the Association in good standing and may include Members of the Board of Directors. Chairpersons may serve an indeterminate length of time and shall serve until a replacement is appointed.

Section 2. Activity Committee: The Activity Committee shall foster and promote events for the enjoyment and benefit of the Owners and Occupants of the Camino Del Rey community. Income and expenses generated by the Activity Committee shall be administered by the Committee independent of and shall not co-mingle with the finances administered by the Board on behalf of the Association.

Section 3. Architectural Committee: The Architectural Committee shall follow the guidelines established in Article 10 Architectural Control of the CC&Rs to maintain the aesthetic character of the community.

Section 4. Budget Committee: The Budget Committee shall be chaired by the Treasurer of the Board. The Budget Committee shall establish a budget for the following fiscal year based on previous years' historical data.

Section 5. Election Committee: The Board shall appoint an Election Committee at least sixty (60) days prior to each Annual Meeting. That Committee shall serve until such Annual Meeting has been concluded. The Election Committee shall consist of a Chairman who shall be a Member of the Board and two (2) or more Members of the Association. The Election Committee shall:

1. Prepare all ballots.
2. Validate the signatures on each petition.
3. Determine that the candidate is not in violation of any provision of the CC&Rs or rules.
4. Nominate an election referee.



Section 6. Financial Audit Committee: The Financial Audit Committee meets after the first of the year to review the financial documents of the previous year. The financial documents are reviewed for compliance to accepted practices and procedures. Upon completion, findings and recommendations are reported to the Board of Directors.

Section 7. Other Committees: The Board shall appoint such other Committees as the Board may deem appropriate to carry out the purposes of the Association.

### **Article 7: Elections.**

Section 1. Candidates: The election of Directors shall be held at each Annual Meeting of the Members. Candidates for election shall file a petition containing the signatures of at least ten (10) eligible voters with the Secretary at least forty-five (45) days before the Annual Meeting. No other nominations shall be permitted.

Section 2. Election: Election to the Board may be by secret written ballot, mail-in ballot, absentee ballot, or requested e-mail ballot. Those candidates receiving the greatest number of votes cast shall be elected. At all meeting of Members, each Member may vote in person, by absentee ballot, or by mail-in ballot.

Section 3. Voting: Members shall be entitled to one vote for each Lot owned. When more than one (1) Person holds an interest in any Lot, all such Person(s) shall be Members, but in no event shall more than one (1) vote be cast with respect to any Lot. If any Member casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that such Member was acting with the authority and consent of all Members holding an interest in such Lot.

Section 4. Term of Directors: Candidates receiving the greatest number of votes shall fill the three-year term vacancies. Candidate(s) receiving the next highest vote(s) total shall fill the unexpired term(s) of a vacated office for the duration of the unexpired term(s).

Section 5. Election of Officers: The election of Officers shall take place at the first meeting of the Board of Directors following each Annual Meeting of the Members.

Section 6. Term of Officers: The Officers of the Association shall be elected annually by the Board and shall each hold office for one (1) year unless such Officer resigns, is removed, or is otherwise disqualified to serve.

### **Article 8: Books and Records.**

Section 1: The books, records and papers of the Association shall be available for inspection by any Member upon written request to the Board of Directors. Upon approval by the Board, given within forty-eight (48) hours of receipt of request, a date will be set up for review. This review will not exceed two (2) hours. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association and copies thereof may be purchased at a reasonable cost from the Association.

**Article 9: Common Expenses.**

Section 1. Annual Budget: The Board shall prepare an estimated Annual Budget of the Common Expenses to be prepared for each fiscal year of the Association. To the extent that assessments for such Common Expenses received from Members for the immediately preceding fiscal year shall have been more or less than the expenses actually incurred by the Association for such year, the surplus or deficiency, as the case may be, shall also be taken into account. The Annual Budget shall provide for a reserve for restoration and replacements and may also contain a reserve for contingencies for the year, both in reasonable amounts as determined by the Board. The Annual Budget shall be approved by the Board.

Section 2. Assessments for Common Expenses: On or before the first day of each fiscal year, the Board shall assess each Lot for its respective share of the annual expenses as determined by the Annual Budget. The share shall be determined by a fraction, the numerator of which shall be one (1) and the denominator of which shall be one hundred and twenty-two (122). The assessment levied against each Lot shall be payable in advance by the Owner(s) in one sum, quarterly, semi-annually or annually on the first day of the period. Assessments shall commence on the first day of any month immediately following the conveyance of any Lot to a new Owner(s). In the event the Board fails to approve an estimated Annual Budget for any year or shall be late in so doing, each Owner(s) shall continue to pay an amount equal to the assessment levied by the Board for the immediately preceding fiscal year. Any increase in assessments over that of the preceding year amounting to more than five dollars (\$5) per Lot or five percent (5%) of the current assessments for Common Expenses, whichever is greater, shall require the written approval of a Majority of Lot Owners.

**Article 10: Indemnification.**

Section 1. General: Subject to the provisions of A.R.S. 10-1005(B), the Association shall indemnify and hold harmless each of its Directors and Officers, each Member of any Committee appointed by the Board, and the Board itself against any and all liability arising out of any acts of the Directors, Officers, Committee Members, or the Board, or arising out of their status as Directors, officers, Committee Members, or the Board, unless any such act is the result of gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses including, by way of illustration and not of limitation, attorney's fees and costs reasonably incurred in connection with the defense of any claim, action or proceeding, whether civil, criminal, administrative or other, in which any such Director, Officer, Committee Member, or Board Member may be involved by virtue of such person having the status of a Director, Officer, Committee Member, or Board Member, provided, however, that such indemnity shall not be operative with respect to any matters to which such person shall have been finally adjudged in such action or proceeding to be liable for gross negligence or criminal intent in the performance of his/her duties.

**Article 11: Amendments.**

Section 1: These Bylaws may be changed, modified or amended by a Majority vote of the Members.