

**BYLAWS OF  
SaddleBrooke Homeowners' Association No. 2, Inc.**

**ARTICLE I  
Identity**

**Section 1. Declaration.** These Bylaws shall govern the operation of SaddleBrooke Homeowners' Association No. 2, Inc. (the "Corporation"), an Arizona nonprofit corporation.

**Section 2. Terms.** Terms used herein which are defined in the Articles of Incorporation of the Corporation (the "Articles") shall have the same meanings as in the Articles.

**Section 3. Principal Office.** The principal office of the corporation shall be located at 38735 S. MountainView Blvd., Tucson, AZ, 85739.

**Section 4. Seal.** The Board of Directors may obtain a seal for the Corporation which shall bear the name of the Corporation, the word "Arizona," the word "non-profit", the year of incorporation, and such other matters as the Board of Directors may elect.

**ARTICLE II  
Membership**

**Section 1. Members.** As set forth in the Articles, each owner of a Lot shall be a member of the corporation (a "Member") so long as he/she shall be an owner. Such membership shall automatically terminate when he/she ceases to be an owner and, upon the transfer of his/her ownership interest, the new owner succeeding to such ownership interest shall likewise automatically succeed to membership in the corporation. In the event that more than one person or entity holds an ownership interest in any lot, all such persons and entities shall be deemed to be members of the corporation, but they shall collectively hold only a single membership in the Corporation.

**Section 2. Meetings.** Meetings of Members shall be held at the principal place of business of the Corporation or at such other convenient place as may be designated by the Board of Directors. Annual meetings of the owners shall be held at a date and time to be set by the Board of Directors but in no event later than 180 days after the end of the fiscal year of the Corporation. Special meetings of the Members may be called by the President of the Corporation,

or by a majority of the members of the Board of Directors, or by Members having at least ten percent (10%) of the votes entitled to be cast at such meeting. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice, unless by consent of the Members present holding two-thirds of the votes represented at the meeting.

**Section 3. Voting.** The voting rights of the Members shall be as provided in the Articles.

**Section 4. Notice.** Notice of all meetings of the Members stating the time, the place and the objects for which the meeting is called shall be given by an officer of the Corporation unless notice is waived in writing. Such notice may be given in accordance with Arizona law, which currently require hand-delivery or mailing in the United States mail. Notice of meetings may be waived before, during or after the meeting.

**Section 5. Quorum.** A quorum of Members for any meeting shall be constituted by Members represented in person and holding ten (10) percent of the votes entitled to be cast at the meeting. Unless the vote of a greater number is required by these Bylaws, the Articles or Arizona law, the affirmative vote of a majority of the votes represented at a meeting and entitled to vote shall be binding as the act of the Members.

**Section 6. Adjourned Meetings.** If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, may adjourn the meeting to a time not more than 48 hours from the time the original meeting was called.

**Section 7. Order of Business.** The order of business at all meetings of the members shall be as follows:

- A. Approval of Minutes of preceding meeting.
- B. Reports of Staff.
- C. Old Business.
- D. New Business.
- E. Board Member Comments.
- F. Announcements.
- G. Adjournment.
- H. Member Comments.

## ARTICLE III Board of Directors

**Section 1. Number and Qualification.** The business, property and affairs of the Corporation shall be managed, controlled and conducted by a Board of Directors. The Board of Directors shall consist of the number of Members indicated in the Articles; who are members in good standing; who are physically present in the community no less than nine (9) months of the year; and shall serve two (2) year terms. The number of Directors may be altered from time to time by resolution or a majority vote of the Board of Directors if so desired or if there is a possibility of no staggered terms in any election year, but only within the limits prescribed by the Articles. In the event of any increase in the number of directors in advance of the annual meeting, each additional director shall be elected by the then Board of Directors and hold office until his successor is elected and shall qualify.

The Board of Directors may choose to allow up to two of the positions, beyond the number of minimum positions, to be filled by ex-officio members. These positions shall be filled by prior directors of the Corporation, with non-voting privileges, but with all other privileges afforded to the elected Directors.

**Section 2. Powers and Duties.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the corporation, and may do all such acts and things as are not by law or otherwise directed to be exercised and done by the Members. The powers of the Board of Directors shall include, but not be limited to, all of the rights and duties of the Board of Directors as set forth elsewhere in these Bylaws, the Articles, the Declaration and any Subsequent Declaration and shall also include the power to promulgate such rules and regulations pertaining to the rights and duties of Members of the Corporation, and all other matters, as may be deemed proper and which are consistent with the foregoing. The Board of Directors may delegate to one or more committees thereof, and to other persons, such duties and powers, all as appears to the Board of Directors to be in the best interests of the Corporation and to the extent permitted by law.

**Section 3. Election and Term of Office.** The election and term of office of the directors shall be as provided in the Articles.

**Section 4. Vacancies.** Vacancies on the board of Directors caused by any reason shall be filled by vote of the majority of the remaining directors even though less than quorum, or by the remaining director if there is only one, and each person so elected shall be a director until his successor is duly elected by the members of the Corporation and shall qualify.

**Section 5. Compensation.** No compensation shall be paid to the directors for their services as directors. No remuneration shall be paid to a director for services performed by him for the Corporation in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. Directors and officers, however, may be reimbursed for any actual expenses incurred in connection with their duties as such officers or directors.

**Section 6. Regular Meetings.** Regular meetings of the Board of Directors may be held at such time, date and place as shall be determined from time to time, by a majority of the Directors, but at least two such meetings (including an organizational meeting within ten days of the seating of new directors) shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or email, at least three days prior to the day named for the meeting.

**Section 7. Special Meetings.** Special meetings of the Board of Directors may be called by the President or Secretary on three (3) days' notice to each director, given personally by mail, telephone or email, which shall state the time, date, place and purpose of the meeting. Upon the request of at least two (2) of the directors, special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice.

**Section 8. Waiver of Notice.** Before, at or after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be deemed to be a waiver of notice by him/her of the time and place thereof. If all the directors are present at any meetings of the Board, no notice shall be required, and any business may be transacted at such meeting.

**Section 9. Quorum.** A majority of the Board of Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board there is less than a quorum present, a majority of those present may adjourn the meeting. Every act or decision done or made by a majority of the directors at a duly held meeting at which a quorum is present shall be regarded as the act of the Board unless the Articles, these Bylaws, the Declaration or any Subsequent Declaration otherwise specifically requires the affirmative vote of a different number of directors on a specific matter.

**Section 10. Adjournments.** The Board of Directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary in the interests of the Corporation, provided that no meeting may be adjourned for a period longer than 30 days.

**Section 11. Action Taken Without a Meeting.** The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors. Any actions approved shall have the same effect as though taken at a meeting of the Directors.

**Section 12. Fidelity Bonds.** The Board of Directors may require, in its discretion, and shall require to the extent required by the Declaration or any Subsequent Declaration, that all officers and employees of the Corporation handling or responsible for the Corporation's funds shall furnish fidelity bonds. In the event such bonds are required upon determination of the Board of Directors, the premiums therefor shall be paid by the Corporation.

**Section 13. Committees.** The Board of Directors may by resolution appoint committees of the Board, which committees shall have the powers and authority designated in the resolution or resolutions establishing them.

**Section 14. Notice to Members of Regular and Special Meetings of the Board of Directors.** The notice of all regular or special meetings of the Board of Directors shall be given to the Members at least forty-eight (48) hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board of Directors. An affidavit of notice by an officer of the Corporation is prima facie evidence that notice was given as prescribed by Section 14. Notice to Members of meeting of the Board of Directors is not required if emergency circumstances require action by the Board of Directors before notice can be given. Any notice of a meeting of the Board of Directors shall state the date, time and place of the meeting. The failure of any Member to receive actual notice of a meeting of the Board of Directors does not affect the validity of any action taken at the meeting.

**Section 15. Board of Directors Meeting Process** For meetings of the Board of Directors, all of the following apply:

- A. The agenda shall be available to all members attending
- B. An emergency meeting of the Board of Directors may be called to discuss business or take action that cannot be delayed for the forty-eight (48) hours required for notice. At any emergency meeting called by the Board of Directors, the Board of Directors may act only on emergency matters. The

minutes of the emergency meeting shall state the reason necessitating the emergency meeting. The minutes of the emergency meeting shall be read and approved at the next regularly scheduled meeting of the Board of Directors.

- C. A quorum of the Board of Directors may meet by means of telephone conference if a speakerphone is available in the meeting room that allows Board members and Corporation members to hear all parties who are speaking during the meeting.
- D. Any quorum of the Board of Directors that meets informally to discuss Corporation business including workshops, shall comply with the open meeting rules and notice provisions of this Section 15 without regard to whether the Board of Directors votes or takes any action on any matter at this informal meeting.
- E. The rules in Robert's Rules of order, latest revised version, shall govern in all Board of Directors meetings where they are not in conflict with the Bylaws, the Articles of incorporation or laws of the State of Arizona.

#### **ARTICLE IV Officers**

**Section 1. Designation.** The principal officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The directors may appoint an Assistant Secretary and an Assistant Treasurer, and such other officers as in their judgement may be necessary. Only a director may hold the office of President. Any one person may hold two or more offices at the same time.

**Section 2. Election of Officers.** The officers of the Corporation shall be elected from time to time by the Board of Directors.

**Section 3. Removal of Officers.** Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his/her successor appointed by the remaining directors to fill the remainder of his/her term.

**Section 4. Resignation of Officers.** Any officers may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 5. Vacancies.** A vacancy in any office may be filled by vote of a majority of the Board of Directors. the officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

**Section 6. President.** The President shall be the chief executive officer of the Corporation. The President shall preside at all meetings of the Members of the Corporation and of the Board of Directors; will communicate the Board's actions and policies to the Members of the Corporation and oversee the Executive Director. The President shall have all of the general powers and duties which are normally vested in the office of the President of a Corporation, including, but not limited to, the power to appoint committees from among the Members of the Corporation from time to time as he/she may decide is appropriate to assist in conducting affairs of the Corporation.

**Section 7. Vice President.** The Vice President (or the most senior Vice President, if there shall be more than one) shall take the place of the President and perform his/her duties whenever the President shall be absent, unable to act or refuses to act. If neither the President nor a Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. A Vice President shall also perform such other duties as shall from time to time be imposed upon him/her by the Board of Directors.

**Section 8. Secretary.** The Secretary (or his/her designee) shall: ensure that copies of all pertinent documents are physically or electronically kept at the permanent address of the Corporation.

- keep the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Members of the Corporation;
- have custody of the seal of the Corporation;
- have charge of the membership books and such other books and papers as the Board of Directors may direct; and shall, in general, perform all duties incident to the office of Secretary.

**Section 9. Treasurer.** The Treasurer shall have the responsibility for the Corporation's funds and securities and shall be responsible for ensuring:

- the development of an annual budget and keeping of full and accurate accounts of all receipts and disbursements in books belonging to the corporation;
- for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Corporation in such depositories as may from time to time be designated by the Board of Directors;
- that monthly bank reconciliations are completed; and,
- that an annual update of the asset register of all real and personal property of the Corporation.

## ARTICLE V Elections

**Section 1. Elections.** In the first election for a post-transition board, any non-elected positions that were filled before January 1, 2018, will be vacated and filled through the election process. From time to time, the Board may adjust the terms of office prior to the election to ensure staggered terms for the Directors.

**Section 2. Election Committee.** For all subsequent elections, the Board of Directors shall appoint an Election Committee Chairperson and an Election Committee at least ninety (90) days prior to the election date. The Election committee will consist of not less than three (3) regular members of the Corporation who are in good standing, of which no more than one (1) may be a member of the Board who is not up for re-election. The Election committee shall, within thirty (30) days of the election date, submit to the Board a list of candidates for all offices to be filled.

**Section 3. Nominations.** Ten (10) or more regular members of the Corporation may nominate other candidates and file such nominations over their signatures with the Election Committee Chairperson not less than forty-five (45) days prior to the annual election. The names of all those nominated shall be printed alphabetically on one ballot. Cumulative voting is not permitted.

**Section 4. Voting.** No member shall be permitted to vote at any election who is thirty (30) days or more in default in the payment of any homeowner dues, assessments or member charges due the Corporation or who has an active Code of Conduct violation. There shall be no provision for proxy voting.

**Section 5. Election Procedure.** The Election Committee Chairman will conduct all facets of the election in accordance with the "Election Procedure" established by the Board of Directors. Electronic voting shall be permitted as an alternative method of voting. Candidates receiving a plurality shall be declared the winner by the Board. In the case of a tie vote, there will be another vote solely for the purpose of breaking the tie. Any member of the Corporation may be present as an observer at the tabulation of votes, or in the case of electronic voting, during the final processing of ballots. Following the tabulation, all ballots will be sealed and stored for a period of thirty (30) days from the date of tabulation. In the case of electronic voting, all results will be kept electronically for thirty (30) days. Any protest of accounting of votes or results must be filed within thirty (30) days from the date of tabulation. In case of dispute, the ballots will be retained as long as necessary.



**ARTICLE VI**  
**Miscellaneous**

**Section 1. Books and Accounts.** The Board of Directors, at all times, shall keep, or cause to be kept by the Treasurer, true and correct records of account in accordance with generally accepted accounting principles.

**Section 2. Execution of Corporate Documents.** With the prior authorization of the Board of Directors all notes, checks and contracts or other obligations shall be executed on behalf of the Corporation by such officer or officers of the Corporation as said Board shall designate.

**Section 3. Fiscal Year.** The fiscal year of the Corporation shall be the Calendar Year, or such period as the Board of Directors may deem appropriate.

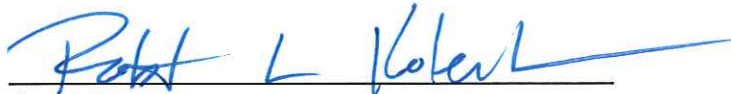
**Section 4. Conflict in Documents.** In the case of any conflict between Articles and these Bylaws, the Articles shall control.

**ARTICLE VII**  
**Amendment of the Bylaws**

These Bylaws may be amended by the affirmative vote of a majority of the Board of Directors. These Bylaws may not be amended insofar as such amendment would be inconsistent with the Declaration, any Subsequent Declaration or the Articles.

**ARTICLE VIII**  
**Certificate of Amendment**

The undersigned secretary does hereby certify that the foregoing Bylaws were amended and approved by the Board of Directors of SaddleBrooke Homeowners' Association No. 2, on December 29th, 2018.

  
Secretary