

BYLAWS OF  
THE VIEWPOINT AT PRESCOTT VALLEY WEST  
HOMEOWNERS ASSOCIATION, INC.

ARTICLE I  
GENERAL PROVISIONS

**Section 1. Name.** The name of this corporation is The Viewpoint at Prescott Valley West Homeowners Association, Inc. (the “Association”).

**Section 2. Principal Office.** The principal office of the Association shall be located at 6850 North Robert Road, Prescott Valley, Arizona 86314, but meetings of Members (as defined in the Declaration) and Directors (as defined below) may be held at such other places within the State of Arizona, County of Yavapai, as may be designated by the Board of Directors (the “Board”).

**Section 3. Defined Terms.** Terms used in these Bylaws without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions and Restrictions for The Viewpoint, which is recorded in the Office of the County Recorder of Yavapai County, Arizona, at Book 3145, page 275, as amended by that certain Amendment to Master Declaration of Covenants, Conditions and Restrictions for The Viewpoint West recorded May 7, 1996 at Book 3202, page 831, in the Office of the County Recorder of Yavapai County, Arizona (the “Declaration”).

**Section 4. Conflicting Provision.** In the case of any conflict between the Articles of Incorporation for the Association (the “Articles”) and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**Section 5. Books and Records.** The books, records and papers of the Association shall be available for inspection by any Member during reasonable business hours. The Project Documents shall be available for inspection by any Member during reasonable business hours at the principal office of the Association, where copies may be purchased at reasonable cost.

**Section 6. Fiscal Year.** The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year, except that the first fiscal year shall begin on the date of incorporation of the Association.

**Section 6. Record Date.** For any meeting of the Members, the Board may fix in advance a date, not less than ten (10) days nor more than sixty (60) days prior to the date of such meeting, as a record date for the determination of the Members of record entitled to notice of, and to vote at, such meetings. The memberships entitled to vote at any meeting of the Members will be

determined as of the applicable record date if one has been fixed as aforesaid; otherwise, as of the time the meeting is convened.

**Section 7. Voting.** The voting rights of the Members shall be as set forth in the Declaration and in such voting right provisions as specifically incorporated herein.

**Section 8. Proxies.** At all meetings of the Members a vote may be cast in person or by proxy. A proxy may be granted by any Member in favor of only another Member, the Secretary of the Association, the Declarant or the Member's mortgagee, or, in the case of a non-resident Member, the lessee of such Member's Lot, his attorney or managing agent. A proxy shall be duly executed in writing and it shall be valid only for the particular meeting designated in the proxy. All proxies must be filed with the Secretary prior to the commencement of the meeting for which the proxy is given. The proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of a notice of revocation signed by the Member who granted the proxy. Except with respect to proxies in favor of a mortgagee, no proxy shall in any event be valid for a period in excess of 180 days after the execution thereof.

**Section 9. Majority.** As used in these Bylaws, the term "majority" shall mean those votes, Owners or other group, as the context may indicate, totaling more than fifty percent (50%) of the total number.

**Section 10. Quorum.** Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of one-third (1/3) of the Members shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

**Section 11. Organization and Conduct of Meetings.** All meetings of Members will be called to order and thereafter chaired by the Chairman of the Board if there is one; or, if not, or if the Chairman of the Board is absent or so requests, then by the President; or if both the Chairman of the Board and the President are unavailable, then by such other officer of the Association or such Member as may be appointed by the Board. The Association's Secretary will act as secretary of each membership meeting; in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting. After calling a meeting to order, the Chairman thereof may require the registration of all Members intending to vote in person, and the filing of all proxies, with the secretary of the meeting. After the announced time for such filing of proxies has ended, no further proxies or changes, substitutions or revocation of proxies will be accepted. If Directors are to be elected, a tabulation of the proxies so filed will, if any person entitled to vote in such election so requests, be announced at the meeting (or adjournment thereof) prior to the closing of the election polls. Absent a showing of bad faith on his part, the chairman of the meeting will, among other things, have absolute authority to fix the period of time allowed for the registration of Members and the filing of proxies, to determine the order of the business to be conducted at such meeting, and to establish reasonable rules for expediting the business of the meeting (including any informal or question-and-answer portion thereof).

**Section 12. Action Without a Meeting.** Any action that, under the provisions of the General Corporation Law of Arizona, may be taken at a meeting of the Members, may be taken

without a meeting if authorized by a written authorization signed by all of the persons who would be entitled to vote upon such an action at a meeting. Such written authorization shall be filed with the Secretary of the Association.

### **ARTICLE III BOARD OF DIRECTORS**

**Section 1. Governing Body; Composition.** The affairs of the Association shall be governed by a Board consisting of directors (the "Directors"). Except as provided in Section 2 of this Article, each Director shall be an Owner or the spouse of an Owner; provided, however, that no Owner and his or her spouse may serve on the Board at the same time; or if an Owner is a corporation, partnership, trust or other such legal entity, then the Director may be an officer, director, partner, beneficiary or other authorized agent of such Owner.

**Section 2. Directors During Declarant Control.** The Directors shall be selected by the Declarant, acting in its sole discretion, and shall serve at the pleasure of the Declarant so long as the Class "B" membership exists, as set forth in the Declaration, unless the Declarant shall earlier surrender this right to select Directors. The Directors selected by Declarant need not be Owners or residents in the Project. After the termination of the Class "B" membership, all Directors must be Members of the Association.

**Section 3. Number of Directors.** The number of Directors in the Association shall be not less than three (3) and not more than nine(9), as the Board may from time to time determine by resolution. The initial Board shall consist of three (3) Directors.

**Section 4. Term of Office.** The initial members of the Board shall hold office until the first annual meeting of the Members and until their successors are elected and qualified. Thereafter, the members of the Board shall hold office from the annual meeting during which they are elected until the next annual meeting.

**Section 5. Removal.** At any annual or special meeting of the Members duly called, any one or more of the members of the Board may be removed from the Board with or without cause by Members having more than fifty percent (50%) of the votes entitled to be cast by the Members present in person or by proxy at the meeting, and a successor may then and there be elected to fill the vacancy thereby created, subject to the terms of Section 2 of this Article. If a Director shall cease to meet the directorship qualifications prescribed in these Bylaws, such Director shall automatically cease being a Director and that Director's place on the Board shall be deemed vacant.

**Section 6. Compensation.** No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

**Section 7. 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 consent of all the Directors. Any such written consent shall be filed with the minutes of the proceedings of the Board.

**Section 8. Vacancies.** Vacancies on the Board caused by any reason other than the removal of a Director in accordance with the provisions of Article III, Section 3 of these Bylaws shall be filled by a majority vote of the remaining Directors at the first regular or special meeting of the Board held after the occurrence of such vacancy, even though the Directors present at such meeting may constitute less than a quorum. Each person so elected shall serve the unexpired portion of the prior Director's term.

**Section 9. Regular Meetings.** Regular meetings of the Board may be held at such time and place that shall be determined from time to time by the Board. Such meetings shall be held at least once during each year.

**Section 10. Special Meetings.** Special meetings of the Board may be called by the President on three (3) business days notice to each Director, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

**Section 11. Quorum.** A majority of the Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly-held meeting at which a quorum is present shall be regarded as the act of the Board.

**Section 12. Powers and Duties.** The Board shall have all of the powers and duties necessary for the administration of the affairs of the Association. In addition to the duties imposed by these Bylaws or by any resolution of the Members that may hereafter be adopted, the Board shall have the following powers and duties:

- a. To enforce the applicable provisions of the Declaration, Articles, these Bylaws and other Project Documents;
- b. Open bank account on behalf of the Association and designate the signatories thereon;
- c. Prepare and adopt an annual budget for the Association prior to the commencement of each fiscal year;
- d. Adopt, publish and amend rules and regulations governing the personal conduct of the Members and their family members, guests, lessees and invitees on the Project and establish penalties for the infraction thereof;
- e. Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment or other amounts due under the terms of the Project Documents;

- f. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the Project Documents;
- g. Declare the office of a Director to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;
- h. Employ, hire and dismiss such employees as they deem necessary and to prescribe their duties and their compensation;
- i. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by any Member entitled to vote.
- j. To select, appoint, supervise and remove all officers, agents and employees of the Association and see that their duties are properly performed;
- k. As more fully provided in the Declaration to: i) fix the amount of any assessment against each Lot; ii) send written notice of each assessment to every Owner subject thereto; iii) record within a reasonable time, a notice and claim of lien against any Lot for which assessments are not paid, and foreclose the same within a reasonable time or, in the discretion of the Board, bring an action at law against the Owner personally obligated to pay the same;
- l. Issue, or cause an appropriate officer to issue upon demand to any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- m. Pay the cost of all services rendered to the Association or its Members which are not chargeable to Owners;
- n. Enforce by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by the Board and any other Project documents;
- o. Collect the assessments, deposit the proceeds thereof in the Association's bank account, and use the proceeds to administer the Association; and
- p. Appoint committees to perform such tasks and to serve for such periods as the Board may determine is necessary and advisable.

ARTICLE IV  
OFFICERS AND THEIR DUTIES

**Section 1. Enumeration of Officers.** The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board. The Board may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as the Board shall deem desirable. Such officers shall have the authority and perform the duties prescribed from time to time by the Board. The President must be a member of the Board. Any other officers may, but not, be members of the Board.

**Section 2. Election of Officers.** The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

**Section 3. Term.** The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

**Section 4. Special Appointments.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

**Section 5. Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer 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 6. Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaced.

**Section 7. Multiple Offices.** Any two or more offices may be held simultaneously by the same person except the offices of President and Secretary.

**Section 8. Powers and Duties.** The powers and duties of the officers shall be as follows:

- a. **President.** The president shall be the chief executive officer of the Association, shall preside at all meetings of the Board or the Members, shall see that orders and resolutions of the Board are carried into effect, and have general and active management of the business of the Association;
- b. **Vice President.** The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board;

- c. **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, serve notice of meetings of the Board and of the Members, keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board;
- d. **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board, keep proper books of accounts, and, in general, perform all the duties incident to the office of Treasurer.

## **ARTICLE V ARCHITECTURAL CONTROL**

**Section 1. Architectural Committee.** Pursuant to the terms of the Declaration, the architectural control over the Project shall be vested in an Architectural Committee which shall have jurisdiction over the construction, replacement and repair of all improvements within the Project pursuant to the terms of the Declaration.

**Section 2. Architectural Committee Membership.** The Architectural Committee shall be comprised of no less than three (3) or more than nine (9) committee members. All Architectural Committee members shall be appointed by the Board of Directors and shall continue to serve until removed by the Board. So long as the Class "B" membership exists, as set forth in the Declaration, the Architectural Committee members need not be Owners. Once there no longer exists any Class "B" members, all Architectural Committee members must be owners.

**Section 3. Architectural Committee Proceedings.** The manner in which the Architectural Committee shall conduct its business is determined by the terms and conditions of the Declaration.

## **ARTICLE VI INDEMNIFICATION OF DIRECTORS AND OFFICERS**

Directors and officers of the Association shall not be liable to the Association or the members of the Association for any acts performed as a director or officer of the Association except for those acts or omissions set forth in A.R.S. §10-1029A(8). No Director or officer shall receive any compensation for services rendered for or on behalf of the Association, except reimbursement according to Article III of these Bylaws. Each Director or officer shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him by judgment or settlement in connection with any proceeding to which he may be a party, or in which he may become involved by reason of his being or having been a Director or officer of the Association, except for those acts or omissions set forth in A.R.S. §10-1029A(8).

ARTICLE VII  
AMENDMENT OF BYLAWS

Prior to the sale of the first Lot to a Purchaser, Declarant may amend the Bylaws in its sole and absolute discretion. After the sale of the first Lot to a Purchaser, these Bylaws may be amended only by affirmative vote (in person or by proxy) or written consent of a majority of the Members of the Association then in effect; provided, however, that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

CERTIFICATION

I, hereby certify that the foregoing Bylaws were duly adopted by the Board of Directors of the Association on the 17 day of May, 1996.

[Sherry Burke]  
Secretary  
Sherry Burke