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SECOND AMENDMENT TO AND RESTATEMENT OF THE BYLAWS

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**SECOND AMENDMENT
TO AND RESTATEMENT OF
THE BYLAWS
OF
WADDELL HACIENDAS LANDOWNERS ASSOCIATION**

This **SECOND AMENDMENT TO AND RESTATEMENT OF THE BYLAWS OF WADDELL HACIENDAS LANDOWNERS ASSOCIATION** (the "**Second Bylaw Amendment**") is made as of this 15 day of August, 2015, by Waddell Haciendas Landowners Association, an Arizona nonprofit corporation (the "**Association**").

WHEREAS, the Waddell Haciendas, Unit I Plat, was recorded at Book 145, Page 11, Maricopa County Recorder, on January 10, 1972 ("**Unit I Plat**");

WHEREAS, the Waddell Haciendas, Unit 1, Declaration of Restrictions, was recorded at Docket 9172, Pages 346 to 348, Maricopa County Recorder, on January 10, 1972 (the "**Original Unit 1 CC&Rs**");

WHEREAS, the Waddell Haciendas, Unit II Plat, was recorded at Book 158 of Maps, Page 38, Maricopa County Recorder, on February 5, 1973 ("**Unit II Plat**");

WHEREAS, the Waddell Haciendas, Unit II, Declaration of Restrictions, was recorded at Docket 9986, Pages 25 to 26, Maricopa County Recorder, on February 5, 1973 (the "**Original Unit 2 CC&Rs**");

WHEREAS, the Maricopa County Board of Supervisors' meeting minutes regarding Road Dedication, were recorded at Docket 11512, Pages 233 to 234, Maricopa County Recorder, on January 22, 1975 ("**Road Dedication**");

WHEREAS, the Articles of Incorporation, were filed December 17, 1982, Arizona Corporation Commission ("**Articles**");

WHEREAS, a Certificate of Amendment to the Declaration of Restrictions for Waddell Haciendas Unit One, was recorded at 2000-0613700, Maricopa County Recorder, on August 11, 2000 ("**Unit I First Amendment**");

WHEREAS, an Amendment I to Waddell Haciendas, Unit 2, Declaration of Restrictions, recorded at 98-0294227, Maricopa County Recorder, on April 13, 1998 ("**Unit II First Amendment**"); and re-recorded version of the Unit II First Amendment recorded at 2000-0613749 on August 11, 2000 ("**Corrected Unit II First Amendment**"). This document contains a nine page document titled "**By-Laws of Waddell Haciendas Landowners Association**" as well as an "**Amendment I**" and "**Amendment II**" (the By-Laws, Amendment I and Amendment II collectively referred to as the "**Bylaws**");

WHEREAS, a Certificate of Amendment to the Declaration of Restrictions for Waddell Haciendas Unit One, was recorded at 2004-1224937 on October 20, 2004 ("**Unit I Second Amendment**");

WHEREAS, a Certificate of Amendment to the Declaration of Restrictions for Waddell Haciendas Unit Two, was recorded at 2004-1224948, Maricopa County Recorder, on October 20, 2004 (“**Unit II Second Amendment**”);

WHEREAS, an Affidavit of Erroneous Recording, was recorded at 2005-0141803, Maricopa County Recorder, on February 3, 2005 (“**Unit I Second Amendment Rescission Document**”);

WHEREAS, an Affidavit of Erroneous Recording, was recorded at 2005-0141804, Maricopa County Recorder, on February 3, 2005 (“**Unit II Second Amendment Rescission Document**”);

WHEREAS, a Letter to Maricopa County Board of Supervisors and others regarding Zanjero Trails was recorded at 2006-0336848 on March 13, 2006 (“**Development Issues Letter**”);

WHEREAS, a Letter to Maricopa County Board of Supervisors and others regarding road issues was recorded at 2006-0336849, Maricopa County Recorder, on March 13, 2006 (“**Second Development Issues Letter**”);

WHEREAS, a Letter to Maricopa County Board of Supervisors and others regarding road issues was recorded at 2006-0336850, Maricopa County Recorder, on March 13, 2006 (“**Third Development Issues Letter**”);

WHEREAS, a Certificate of Amendment to the Bylaws of Waddell Haciendas Landowners Association recorded at 2006-1073736, records of Maricopa County Recorder, on August 11, 2006 (“**First Bylaw Amendment**”).

WHEREAS, the Association has received legal advice that an Arizona Court of Appeals case decided in 2010, referred to as *Dreamland Villa Community ^{Official Document} v. Raimy* held that converting membership in an association such as the Association from voluntary to mandatory (as was attempted in the Bylaws, Article I, Section 1) without a unanimous vote of the affected owners of real property is legally inappropriate; and

WHEREAS, the Association desires for its governing documents to accurately reflect the relationship of the owners of the lots shown on the Unit I Plat and the Unit II Plat to the Association.

NOW THEREFORE, the Bylaws are hereby amended and restated as follows:

Article I

1. Article I, Section 1 is hereby deleted and replaced with the following and re-titled “Membership in the Association and Purpose”;

The provisions of these By-Laws shall be applicable to the owners of lots as reflected on the Waddell Haciendas, Unit I Plat, recorded at Book 145, Page 11, Maricopa County Recorder, on January 10, 1972 (“**Unit I Plat**”) and the owners of lots as reflected on the Waddell Haciendas, Unit II Plat, recorded at Book 158 of Maps, Page 38, Maricopa County Recorder, on February 5, 1973 (“**Unit II Plat**”) who voluntarily opt into membership in

the Waddell Haciendas Landowners Association (“the Association”) by payment of the annual dues as set yearly. The Purpose of the Association shall be to, through a Board of Directors elected by the Members, act to administer and manage the affairs of the Association, assess periodic dues on its Members, and facilitate the operation of the irrigation system in the Association.

2. Article I, Section 2, Personal Application, is hereby deleted and replaced with the following:

All present or future owners of real property shown on the Unit I Plat or the Unit II plat who voluntarily join the Association shall be Members regardless of race, color, creed or national origin.

3. Article II, Section 1, Voting, is hereby deleted and replaced with the following:

Each member shall have the voting power equivalent to one vote for each lot owned and for which lot annual dues have been paid. If said lot is owned by more than one person, that one vote may be split equally between the multiple owners.

4. Article II, Section 2, Majority of Owners, is hereby deleted and replaced with the following:

As used in these Bylaws, the term “majority of owners” shall mean fifty one percent (51%) or more of the members as reflected in the membership records of the Association.

5. Article II, Section 3, Quorum, is hereby deleted ^{Unofficial Document} and replaced with the following:

The presence in person or by proxy of a majority of members, as defined in Article II, Section 2, shall constitute a quorum.

6. Article II, Section 4, Proxies, remains the same and is restated here as follows:

Votes may be cast in person or by proxy. Proxies must be filed with the Board of Directors before the appointed time of each meeting, election or vote.

Article III Board of Directors

7. Article III, Section 1, Number and Qualifications of Board of Directors, remains the same and is restated here as follows:

The affairs of the Association shall be governed by the Board of Directors composed of five persons, all of whom must be Owners of Record and members of the Association. These persons shall be designated as President, Vice President, Secretary, Treasurer and Member at Large.

8. Article III, Section 2, Powers and Duties, is hereby deleted and replaced with the following:

The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, such as (a) transact necessary business in the intervals between the Association meetings and such other business as may be referred to it by the Association; (b) to create standing and special committees; (c) to approve the plans of work of the standing committee; (d) to present a report at the regular meetings of the association; (e) to select an auditor or an auditing committee to audit the Treasurer's accounts; (f) to prepare and submit to the Association for adoption a budget for the year; and (g) to approve routine bills within the limit of the budget.

9. Article III, Section 3, Duties of Officers, is hereby deleted and replaced with the following;

- a. The President shall preside at all meetings of the Association and the Board of Directors; shall perform such other duties as may be prescribed in these Bylaws or assigned to him/her by the Association or by the Board of Directors; shall be a member ex officio of all committees except the nominating committee; and shall coordinate the work of the officers and committees of the Association in order that the purposes of the Association may be promoted.
- b. The Vice President shall act as aide to the President and shall perform the duties of the President in the absence or inability of that officer to act.
- c. The Secretary shall record the minutes of all meetings of the Association and the Board of Directors; shall have a current copy of the Bylaws; shall maintain a membership list; and shall perform such other duties as may be delegated to him/her.
- d. The Treasurer shall have custody of ^{Unofficial Document} funds of the Association; shall keep a full and accurate account of receipts and expenditures; and in accordance with the budget adopted by the Association, shall make disbursements as authorized by the President, Board of Directors, or Association. Checks or vouchers shall be signed by two persons, the Treasurer and one other member of the Board of Directors. The Treasurer shall present a financial statement at every meeting of the Association and at other times when requested by the Board of Directors and shall make a full report at the meeting at which new officers officially assume their duties. The Treasurer shall be responsible for the maintenance of such books of account and records for each fiscal year. Petty cash over ten dollars must be approved by the Board of Directors. The Treasurer's accounts shall be examined annually by an auditor or an auditing committee of not less than three members, who, satisfied that the Treasurer's annual report is correct, shall sign a statement of that fact at the end of the report. The auditing committee shall be selected by the Board of Directors at least two weeks before the meeting at which new officers assume duty.
- e. The Member at Large shall be responsible for keeping order at the meetings of the Association and of the Board of Directors and calling meetings to order.

10. Article III, Section 4, Election and Term of Office, is hereby deleted and replaced by the following:

The election of officers will be at the first general Association meeting in the new fiscal year beginning August 1 of each year. To elect a member as an officer requires a majority (51%) of the votes of members present at that Association meeting.

11. Article III, Section 5, Nominating Committee, is hereby deleted and replaced by the following:

There shall be a nominating committee composed of three members, two of whom shall be elected by the Association at a regular meeting at least one month prior to the election of officers and one of whom shall be selected by the Board of Directors from its body. The nominating committee shall elect its own chairman. The Nominating committee shall nominate an eligible person for each office to be filled and report its nominees at a regular Association meeting in August, at which time additional nominations may be made from the floor. Only those persons who have signified their consent to serve if elected shall be nominated or elected to such office.

12. Article III, Section 6, Vacancies, remains the same and is restated here as follows:

A vacancy occurring in any office shall be filled for the unexpired term by a person elected by a majority vote of the Board of Directors, notice of such election having been given. In case a vacancy occurs of President, the Vice President shall serve notice of the election.

13. Article III, Section 7, Removal of Board of Directors Member, is hereby deleted and replaced by the following:

At any regular or special meeting duly called, any one or more of the Board of Directors may be removed with or without cause by a majority of the members and a successor may then and there be elected to fill the vacancy thus created. Any Board of Directors member upon whom removal has been proposed by the owners, shall be given an opportunity to be heard at the meeting.

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14. Article III, Section 8, is hereby deleted and replaced by the following and retitled "Notice of Meetings":

It shall be the duty of the Board of Directors to keep every member informed of any and all meetings to be held. Notice of meeting shall be given ten days prior to the date of the meeting except in case of an emergency. Responsibility for the delivery of such notice of a meeting shall rest with the Member at Large.

Article IV Membership

15. Article IV, Section 1, is hereby deleted and replaced by the following and retitled "Members":

In all respects, the word "member" or "members" shall refer only to Members who have voluntarily opted into membership in the Association by the payment of annual dues which amount will be set annually by the Association's Board of Directors or by amendment to these Bylaws. Such dues shall be a function of the total expenses of the Association and not the amount charged in previous years and assessed on an objective basis.

16. Article IV, Section 2 of the Bylaws is hereby deleted.

**Article V
Bylaws**

17. Article V, Section 1, is hereby deleted and replaced by the following and retitled "Bylaws":

These Bylaws may be amended by the Association in a duly noticed meeting for such purpose or by ballot and no amendment shall take effect unless approved by a majority (51%) of the members of the Association.

**Article VI
Meetings**

18. Article VI, Section 1, Meetings, remains the same and is restated here as follows:

- a. At least four regular meetings of the Association shall be held during the fiscal year. Dates of meetings shall be determined by the Board of Directors and announced at the first regular meeting of the year. Ten days' notice shall be given of a change of date. Special meetings of the Association may be called by the President or a majority of the Board of Directors, five days' notice having been given. Special meetings notice must be mailed.
- b. Regular meetings of the Board of Directors shall be held every quarter, the time to be fixed by the Board of Directors at its first meeting of the year. A majority of the Board of Directors present shall constitute a quorum. Special meetings of the Board of Directors may be called by the President or a majority of the members of the Board of Directors.

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**Article VII
Rules and Regulations**

19. Article VII, Sections 1 through 12 are hereby deleted in its entirety and is replaced by the following:

The Board of Directors has the authority to adopt and enforce rules and regulations to further the intent of the Bylaws and other governing documents of the Association. Once the Board of Directors has adopted such rules and regulations or whenever the Board of Directors makes a change to rules and regulations, a copy of such will be mailed to each member. Also, as new members opt into the Association they are to be given a copy of the current rules and regulations. If no changes are made to the rules and regulations by incoming Board of Directors there is no need to mail out copy of such to membership.

Prior Amendments

20. Amendment 1 to By-Laws, Waddell Haciendas Landowners Association Definitions (contained within a nine page document titled "*By-Laws of Waddell Haciendas Landowners Association*" as well as an "*Amendment I*" and "*Amendment II*" recording date noted above) is hereby deleted.

21. Amendment II to By-Laws, Waddell Haciendas Landowners Association, in which a Waddell Haciendas Building and Development Committee was created under an added Article VIII (contained within a nine page document titled "*By-Laws of Waddell Haciendas Landowners Association*" as well as an "*Amendment I*" and "*Amendment II*" recording date noted above) is hereby deleted.
22. Certificate of Amendment to the Bylaws of Waddell Haciendas Landowners Association recorded at 2006-1073736 records of Maricopa County Recorder on August 11, 2006 ("First Bylaw Amendment") is hereby deleted.

Article VIII
Miscellaneous Provisions

23. The Bylaws are also amended to reflect, notwithstanding any other provision of the Bylaws, that (1) membership in the Association is voluntary for owners of real property reflected on the Unit I Plat and the Unit II Plat, (2) the Board of Directors of the Association has the authority to take over responsibility for Maricopa County Water District accounts if and when the Maricopa County Water District so allows, requests or demands, (3) the Association shall have the right to restrict delivery of water solely to those who opt into membership in the Association and to deem the act of paying annual dues for the privilege of receiving water to be an action that voluntarily joins the Association, and (4) the annual dues owed by Members shall be a function of the total expenses of the Association and not the amount charged in previous years and assessed on an objective basis.
24. DUES - The annual dues for 2015-2016 Unofficial Document at one hundred and forty dollars (\$140.00). This increase from the prior amount of ninety dollars (\$90.00) is a direct result of increased administrative expenses due to the added accounting, bookkeeping, and maintaining of individual water accounts previously maintained by MWD. In subsequent years, the Board then sitting will have the authority to raise the annual dues by only ten percent (10%) without approval of the membership. If the Board believes that the annual dues needs to be raised by more than the ten percent (10%) such a raise in dues will be submitted to the membership by an amendment to these Bylaws and approved by a majority (51%) of the members. Any raise in dues needs to be supported by the annual budget as well as prior year and projected expenses and the Board is to be ready to support such an increase by financial accounting and budget projections and expenses. If a member or members disagrees with the ten percent projected increase in annual fees set by the Board, such an increase may be rejected by a majority vote of the members. Obtaining such a vote will be the responsibility and obligation of those dissenting members.
25. The banking accounts maintained for the administration, accounting and depositing monies of and for individual members' water accounts will be maintained at a different bank (not just branch) than that used by the Association for its operating and maintenance funds. This is to minimize the possibility of error or confusion between the two accounting systems. For the same reason, the mailing address used by the Association for its members' individual water accounts will not be at the Waddell Post Office branch on Glendale Avenue in Waddell, Arizona which the Association uses for its regular mail.

26. In compliance with *Dreamland Villa Community Club, Inc. v. Raimey* the Association has assembled a membership list of its current voluntary members and submitted this Bylaw amendment to those members for approval by a vote of the Members equal to or greater than 51% who are on the Association's membership list pursuant to Article IV, Section 1 of the Bylaws.

IN WITNESS WHEREOF, Waddell Haciendas Landowners Association, an Arizona nonprofit corporation, has executed this Amendment to the Bylaws as of the day and year first above written.

WADDELL HACIENDAS LANDOWNERS ASSOCIATION

an Arizona nonprofit corporation

By: Victoria Jordan

Its: Vice President

I, Lisa Sunderlin being the duly elected Secretary of Waddell Haciendas Landowners Association hereby attest that the foregoing Second Amendment to and Restated Bylaws has been approved by a vote of the Members having at least fifty one percent (51%) of the votes entitled to be cast by the Members in person or by mail.

By: Lisa Sunderlin
Secretary, Waddell Haciendas Landowners Association

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