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AMENDED AND RESTATED BYLAWS

OF

CANOA ESTATES II, INC.

an Arizona non-profit corporation

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**AMENDED AND RESTATED BYLAWS OF
CANOA ESTATES II, INC.**

ARTICLE I. INTRODUCTION

6 **1.1 Amendment and Restatement of Bylaws.** These Amended and Restated
7 Bylaws (these “Bylaws”) of Canoa Estates II, Inc., an Arizona nonprofit corporation (the
8 “Association”), hereby amend and restate in their entirety all previous Bylaws of the
9 Association. However, prior acts and actions taken in accordance with prior Bylaws are hereby
10 validated and saved following adoption of these Bylaws. Any reference herein made to the
11 Association’s Bylaws will be deemed to refer to these Bylaws.

13 **1.2 Declaration.** The use of Canoa Estates II for the benefit of the Members is
14 governed by that certain Fourth Amended and Restated Declaration of Covenants, Conditions
15 and Restrictions for Canoa Estates II, recorded on _____, at Sequence
16 # _____, office of the Pima County Recorder (the "Declaration"). All references to
17 the Declaration shall include any amendments.

19 **1.3 Community Documents**. The term "Community Documents" shall refer to the
20 Declaration, the Articles, the Bylaws and the Rules.

ARTICLE II. NAME, PRINCIPAL OFFICE, AND DEFINITIONS

2.1 Name. The name of the corporation is Canoa Estates II, Inc. (the "Association").

2.2 Principal Office. The principal office of the Association shall be located in Green Valley, Pima County, Arizona.

2.3 Definitions. The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Declaration, unless the context indicates otherwise.

ARTICLE III. ASSOCIATION: MEMBERSHIP, MEETINGS, AND VOTING

3.1 Membership.

3.1.1 Eligibility. Each Owner of a Lot shall be a Member of the Association as more fully set forth in the Declaration, the terms of which that pertain to Membership are incorporated by this reference.

3.1.2 Privileges. The privileges of Membership shall be to vote (in accordance with this Article III), to hold office, and to enjoy or benefit from the Common Areas, subject to the Community Documents.

1
2 3.1.3 **Suspension of Privileges.** The Board has the right to suspend the voting
3 rights of any Owner for any period in which the Assessment against his/her Lot
4 remains unpaid.

5
6 3.2 **Place of Meetings.** Meetings of the Association shall be held at a suitable place
7 as the Board may designate, provided such place is as convenient and practical for the
8 Members as possible.

9
10 3.3 **Annual Meetings.** The annual meeting of the Members shall be held in February
11 at a time and place to be designated by the Board.

12
13 3.4 **Special Meetings.** The President may call special meetings. In addition, the
14 President shall call a special meeting if so directed by resolution of the Board or upon a written
15 petition signed by at least 25% of the Members eligible to vote in the Association. The petition
16 shall state the purpose(s) of the proposed meeting, and the business transacted at the special
17 meeting shall be confined to the purpose(s) stated in the petition. The close of business on the
18 day before delivery of the petition for a special meeting shall be the record date for the
19 purpose of determining whether the demand for the special meeting has been signed by at
20 least 25% of the Members eligible to vote in the Association.

21
22 3.5 **Notice of Meetings.** A notice shall be delivered by the Association to each
23 Member stating the place, day, and hour of any meeting of the Members. Delivery shall be
24 made personally or by first class mail or as otherwise provided by A.R.S. §33-1804, not less than
25 15 nor more than 50 days before the date of such meeting.

26
27 3.5.1 **Notice of Special Meeting.** In the case of a special meeting or when
28 otherwise required by statute or these Bylaws, the purpose(s) for which the
29 meeting is called shall be stated in the notice. No business shall be transacted at
30 a special meeting except as stated in the notice.

31
32 3.5.2 **Effective Delivery.** Any notice required by these Bylaws will be effective
33 and deemed to be delivered upon receipt when delivered personally; **three days**
34 after deposit in the United States Postal Service when mailed; **one business day**
35 after pick-up by the courier service when sent by overnight courier, properly
36 addressed and prepaid; and on the business day after the date of the sender's
37 electronic confirmation or receipt when sent by facsimile transmission. If sent
38 by electronic mail, the notice shall be deemed delivered when sent to the
39 intended recipient's electronic mail address and not returned to sender as
40 "undeliverable" through the electronic mail server.

41
42 3.5.3 **Address of Record.** Notices will be sent to the addresses, facsimile
43 numbers or electronic mail addresses last appearing on the records of the
44 Association.

1
2 **3.6 Voting Rights.** The voting rights of the Members shall be as set forth in the
3 Declaration and in these Bylaws. No change in Membership shall be effective for voting
4 purposes until the Board receives written notice of such change. Owners are entitled to one
5 vote for each Lot owned. There is only one vote for each Lot, whether owned by one or more
6 Persons. The vote for each Lot must be cast as a single vote. Fractional votes shall not be
7 allowed. In the event that a Lot is owned by more than one Person and such Owners are unable
8 to agree as to how their vote or votes shall be cast, they shall not be entitled to vote on the
9 matter in question. If any Owner casts a vote representing a certain Lot, he/she will be
10 conclusively presumed to be acting with the authority and consent of all other owners of the
11 same Lot unless written objection is made to the Board at or prior to the time the vote is cast.
12 In the event that more than one Person casts or attempts to cast a vote for a particular Lot, all
13 such votes shall be deemed void.

14
15 **3.7 Voting Procedures.**¹

16
17 **3.7.1 Proxies.** Members may not vote by proxy, but only in person or by
18 absentee or written ballot as provided in this Section 3.7.

19
20 **3.7.2 Voting at Meetings.** The Association shall provide for votes to be cast in
21 person and by absentee ballot and, in addition, the Association may provide for
22 voting by some other form of delivery, including the use of e-mail and fax
23 delivery. When absentee ballots or ballots provided by some other form of
24 delivery are used, the following procedure shall apply:

25
26 **3.7.2.1** The ballot shall set forth each proposed action to be taken at
27 the meeting.

28
29 **3.7.2.2** The ballot shall provide an opportunity to vote for or against
30 each proposed action.

31
32 **3.7.2.3** The ballot is valid for only one specified election or meeting of
33 the Members and expires automatically after the completion of the
34 election or meeting.

35
36 **3.7.2.4** The ballot must specify the time and date by which the ballot
37 must be delivered to the Board in order to be counted. Ballots
38 received after this date shall not be counted.

¹ The provisions of this Section on voting procedures are subject to change from time to time by amendments to the Arizona Planned Communities Act or the Arizona Non-Profit Corporations Act.

1
2 **3.7.2.5** The ballot must be sent to Members at least **15** days but not
3 more than **50** days prior to the date of the election or vote on an
4 issue, and the date set for the tabulation of the ballots shall be stated
5 on the ballot.

6
7 **3.7.2.6** Absentee ballots shall be valid for the purpose of establishing
8 a quorum for the vote or election.

9
10 **3.7.2.7** The absentee ballot cannot authorize another person to cast
11 votes on behalf of the Member.

12
13 **3.7.2.8** In order to have secret ballots, the envelope in which the
14 ballot is contained must bear the signature, printed name, and
15 address of the Member.

16
17 **3.7.3** **Written Ballot.** Any action that the Members may take at any annual or
18 special meeting may be taken without a meeting if the Association delivers a
19 written ballot to every Member entitled to vote on the matter. The following
20 requirements apply when written ballots are used and are subject to A.R.S. §10-
21 3708 and any applicable provisions of the Planned Communities Act.

22
23 **3.7.3.1** A written ballot shall:

24
25 **(A)** Set forth each proposed action.

26
27 **(B)** Provide an opportunity to vote for or against each
28 proposed action.

29
30 **3.7.3.2** Approval by written ballot is valid only if both:

31
32 **(A)** The number of votes cast by ballot equals or exceeds the
33 quorum required to be present at a meeting authorizing
34 the action.

35
36 **(B)** The number of approvals equals or exceeds the number of
37 votes that would be required to approve the matter at a
38 meeting.

39
40 **3.7.3.3** All solicitations for votes by written ballot shall:

41
42 **(A)** Indicate the number of responses needed to meet the
43 quorum requirements.

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

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

3.7.4 Voting Process. The Nominating Committee shall be in attendance at all times during voting tabulation and during check-in at any meeting of Members. The Committee designee(s) shall verify whether a Member is eligible to vote; and shall issue all of the official ballots. In addition, some or all of the Committee members shall witness the placing of the ballots into the ballot box at the meeting and the opening of absentee or written ballots if voting was outside of a meeting.

3.7.4.1 The ballots shall remain sealed until the voting is closed, at which time they shall be opened and the votes tabulated.

3.7.4.2 Upon completion of the tabulation of ballots, the results shall be certified to the Board of Directors by the Nominating Committee and announced to the Membership either at a meeting or, if written ballots are used in the absence of a meeting, by written notification to the Members.

3.7.4.3 In the event of a tie vote, there shall be another vote solely for the purpose of breaking the tie.

3.7.4.4 Ballots, envelopes and related materials, including sign-in sheets if used, shall be retained in electronic or paper format and made available for member inspection for at least one year after completion of the election.

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

3.8 Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by absentee ballot of Members entitled to cast at least 20% of the votes in the Association shall constitute a quorum at all meetings of the Association. If a quorum is not present or represented at any meeting, the Members present and entitled to vote shall have power to adjourn the meeting without notice, other than announcement at the meeting, until a quorum is present or represented.

1 **3.9 Conduct of Meetings.** The President shall preside over all meetings of the
2 Association, and the Secretary or his/her designee shall take the minutes of the meetings and
3 record in a minute book all resolutions adopted and all other transactions occurring at such
4 meetings. Each meeting shall be conducted in accordance with **Section 9.2** hereof.

5

6 **ARTICLE IV. BOARD OF DIRECTORS**

7

8 **4.1 Governing Body; Composition.** The Board of Directors shall manage the affairs
9 of the Association, with each Director having **one** equal vote. The Directors shall be Members.
10 In the case of a Member which is not a natural person, any officer, director, member, partner or
11 trust officer of such Member shall be eligible to serve as a Director unless otherwise specified
12 by written notice to the Association signed by such Member; provided, no Member may have
13 more than one such representative on the Board at a time.

14

15 **4.2 Number of Directors.** The Board shall consist of **five (5)** Directors, provided
16 there is an odd number of Directors on the Board.

17

18 **4.3 Term of Office.** Notwithstanding any other provisions of these Bylaws, each
19 elected Director shall serve for a term of **three** years. The terms of the Directors shall be
20 staggered. Upon the expiration of the term of office of each Director, the Members shall be
21 entitled to elect a successor. Directors shall hold office until their respective successors have
22 been elected and qualified. If there is a possibility of no staggered terms in any election year,
23 the Board may adopt reasonable rules and regulations governing the Nominating Committee's
24 procedures for the upcoming election, including a modification of terms for some of the newly-
25 elected Directors so that staggered terms will be restored.

26

27 **4.4 Nomination of Candidates.** Prior to each election of Directors, the Board shall
28 prescribe the opening date and the closing date of a reasonable filing period in which each and
29 every eligible person who has an interest in serving as a Director may file as a candidate for any
30 position to be filled. The Board shall also establish such other rules and regulations as it deems
31 appropriate to conduct the nomination of Directors in a fair, efficient and cost-effective
32 manner.

33

34 **4.4.1** Nominations for election to the Board may also be made by a Nominating
35 Committee. The Nominating Committee shall be appointed and governed as set
36 forth in **Article VII** hereof.

37

38 **4.4.2** When nominations have been closed, the Nominating Committee shall
39 prepare a report containing: (A) the names of the nominees for the Board
40 election; and (B) a brief biographical sketch of each nominee.

41

42 **4.5 Election of Board Members.** Each Association Member may vote in accordance
43 with Sections 3.6 and 3.7 above for each position to be filled from the slate of candidates for
44 the election. In addition to a ballot, each Member shall receive a brief biographical sketch of

1 each nominee. The election ballot shall include spaces for write-in votes. The write-in spaces
2 shall equal the number of Board vacancies being filled in the election. There shall be no
3 cumulative voting. The number of candidates equal to the number of positions to be filled
4 receiving the greatest number of votes shall be elected. Directors may be elected to serve any
5 number of consecutive terms.

6

7 **4.6 Removal of Directors².**

8

9 **4.6.1 Voting Requirement.** The Members, by a majority vote of Members
10 entitled to vote and voting on the matter at a meeting of the Members called pursuant
11 to these Bylaws, at which a quorum is present, may remove any Director from the Board
12 with or without cause. For purposes of calling for removal of a Director by the
13 Members, the following apply:

14

15 **4.6.1.1 Petition.** On receipt of a petition that calls for removal of a
16 Director and that is signed by the Members entitled to cast at least
17 25% of the votes in the Association, the Board shall call and provide
18 written notice of a special meeting of the Association as prescribed by
19 these Bylaws. A Person is eligible to sign the petition if he/she is
20 eligible to vote in the Association at the time of signing.

21

22 **4.6.1.2 Special Meeting.** The special meeting shall be called, noticed
23 and held within 30 days after the Board's receipt of the petition. A
24 quorum is present if 20% of the Members who are eligible to vote in
25 the Association as of the date of the meeting are present in person or
26 by absentee ballot.

27

28 **4.6.1.3 Civil Action.** If a civil action is filed regarding the removal of a
29 Director, the prevailing party in the civil action shall be awarded its
30 reasonable attorney fees and costs.

31

32 **4.6.1.4 Retention of Documents.** The Board shall retain all
33 documents and other records relating to the proposed removal of any
34 Director for at least one year after the date of the special meeting
35 and shall permit Members to inspect those documents and records
36 pursuant to these Bylaws and applicable law.

37

38 **4.6.1.5 Limitation on Removal Action.** A petition that calls for the
39 removal of the same Director shall not be submitted more than once
40 during each term of office for that Director.

² This Section is subject to A.R.S. §33-1813 and any amendments thereto.

1
2 **4.7. Vacancies on the Board.**

3
4 **4.7.1 After Removal Action.** If fewer than all of the Directors are removed in
5 accordance with Section 4.6, the remaining Directors shall appoint a successor to
6 fill each vacancy for the remainder of the term. If all of the Directors are
7 removed, the Nominating and Election Committee shall organize an election to
8 replace the removed Directors, who shall remain in office (but shall take no
9 action other than to maintain the day-to-day operations of the Association) until
10 the replacement Directors are elected and qualified.

11
12 **4.7.2 Absences or Delinquency.** Any Director who has three consecutive
13 unexcused absences from Board meetings, or is more than 90 days delinquent
14 (or is the representative of a Member who is delinquent) in the payment of any
15 assessment or other charge due the Association, without being excused by the
16 President for good cause, shall be deemed to have resigned from office and the
17 Board may appoint a successor to fill the vacancy for the remainder of the term.

18
19 **4.7.3 Death, Disability or Resignation.** In the event of the death, disability, or
20 resignation of a Director, the Board may declare a vacancy and appoint a
21 successor to fill the vacancy until the next annual meeting, at which time the
22 Members entitled to fill such Directorship may elect a successor for the
23 remainder of the term.

24
25 **4.7.4 Replacement Director.** Any Director who the Board appoints shall be
26 selected from among Members.

27
28 **4.8 Board Meetings.**

29
30 **4.8.1 Organizational Meetings.** The first meeting of the Board following each
31 annual meeting of the Membership shall be held within 10 days thereafter at
32 such time and place as the Board shall fix.

33
34 **4.8.2 Regular Meetings.** Regular meetings of the Board may be held at such
35 time and place, within the State, as a majority of the Directors shall determine,
36 but at least four (4) such meetings shall be held during each fiscal year.

37
38 **4.8.3 Special Meetings.** Special meetings of the Board shall be held when
39 called by written notice signed by the President or Vice President or by any three
40 Directors after not less than three days' notice to each director unless
41 emergency circumstances require shorter notice.

1 **4.9 Notice; Waiver of Notice.** Notice of meetings of the Board of Directors shall
2 specify the time and place of the meeting and, in the case of a special meeting, the nature of
3 any special business to be considered.

4
5 The notice shall be given to each Director by: (A) personal delivery; (B) first class mail,
6 postage prepaid; (C) telephone communication, either directly to the Director or to a person at
7 the Director's office or home who would reasonably be expected to communicate such notice
8 promptly to the Director; (D) electronic mail with confirmation of the transmission; or (E)
9 facsimile (fax) with confirmation of transmission. All such notices shall be given at the
10 Director's telephone number or sent to the Director's address, as shown on the records of the
11 Association. Notices sent by first class mail shall be deposited into a United States mailbox at
12 least four business days before the time set for the meeting. Notices given by personal
13 delivery, telephone, electronic mail or facsimile shall be delivered, telephoned or transmitted
14 by telephone at least 72 hours before the time set for the meeting. Notice of Board meetings
15 shall also be given to the Members in accordance with applicable State law.³

16
17 **4.10 Telephonic Participation in Meetings.** Members of the Board or any committee
18 designated by the Board may participate in a meeting of the Board or committee by means of
19 conference telephone or similar communications equipment, so that all persons participating in
20 the meeting can hear each other. Participation in a meeting pursuant to this Section shall
21 constitute presence in person at such meeting.

22
23 **4.11 Quorum of Board of Directors.** At all meetings of the Board, a majority of the
24 Directors shall constitute a quorum for the transaction of business, and the affirmative vote of a
25 majority of the Directors present at a meeting at which a quorum is present shall constitute the
26 decision of the Board, unless otherwise specifically provided in these Bylaws or the Declaration.
27 If any meeting of the Board cannot be held because a quorum is not present, a majority of the
28 Directors present at such meeting may adjourn the meeting to a time not less than five nor
29 more than 30 days from the date of the original meeting. At the reconvened meeting, if a
30 quorum is present, any business which might have been transacted at the meeting originally
31 called may be transacted without further notice.

32
33 **4.12 Compensation.** Directors shall not receive any compensation from the
34 Association for acting as such. Any Director may be reimbursed for expenses incurred on behalf
35 of the Association. Any expenditure in excess of \$100.00 needs to be approved by a majority of
36 the other Directors. Nothing herein shall prohibit the Association from compensating a
37 Director, or any entity with which a Director is affiliated, for services or supplies furnished to

³ As of the date of these Bylaws, A.R.S. §33-1804 requires 48 hours advance notice to members of meetings of the Board by newsletter, conspicuous posting or any other reasonable means as determined by the Board. Notices of Board and Member meetings are subject to pertinent provisions of the Arizona Planned Communities Act.

1 the Association in a capacity other than as a Director, pursuant to a contract or agreement with
2 the Association, provided that such Director's interest was made known to the Board prior to
3 entering into such contract and such contract was approved by a majority of the Board of
4 Directors, excluding the interested Director.

6 **4.13 Open Meetings.** All meetings of the Board and any regularly-scheduled
7 committee meetings are open to all Members and their designated representatives unless the
8 Board or committee is discussing or considering a matter enumerated in A.R.S. 33-1804(A), in
9 which case the Board can meet in closed session. A Member must inform the Association in
10 writing prior to any pertinent meeting if he/she has a designated representative attending a
11 meeting.

13 **4.14 Action without a Meeting.** Any action that may be taken or is to be taken at a
14 meeting of the Directors may be taken without a meeting if a consent in writing, setting forth
15 the action so taken, is signed by all of the Directors, and such consent shall have the same force
16 and effect as a unanimous vote. Such consents may be submitted via e-mail or fax, and signed
17 in counterparts. Such consents shall be announced at and filed with the minutes of the next
18 Board meeting. Action without a meeting may be taken only when it is not possible to
19 assemble a quorum for a meeting or Board action is required for immediate Association
20 business.

ARTICLE V. BOARD'S POWERS AND DUTIES

24 **5.1 General Powers and Duties.** The Board of Directors shall have all of the powers
25 and duties necessary for the administration of the Association's affairs and for performing all
26 responsibilities and exercising all rights of the Association as set forth in the Declaration, these
27 Bylaws, the Articles, and as provided by law. The Board may do or cause to be done all acts and
28 things which the Community Documents or State laws do not prohibit or direct to be done and
29 exercised exclusively by the membership generally.

31 **5.2 Powers of the Board.** The powers of the Board include but are not limited to the
32 following:

34 **5.2.1 Hold and administer the assets and direct, control, manage and supervise**
35 **the business and affairs of the Association;**

5.2.2 Enforce all applicable provisions of the Community Documents;

39 **5.2.3 Make and publish Architectural Rules and Rules and Regulations within**
40 **the authority set forth in the Community Documents, and to establish penalties**
41 **(including but not necessarily limited to fines, probation and/or suspension of**
42 **membership or voting privileges) for the infraction thereof. There shall be copies**
43 **of the complete Architectural Rules and Rules and Regulations available for**
44 **purchase or inspection by any Member of the Association upon request;**

1
2 **5.2.4** Employ or terminate the services of any independent contractor, a
3 managing agent or such other personnel and employees as the Board deems
4 necessary, and to prescribe their duties;

5
6 **5.2.5** As more fully provided in these Bylaws and the Declaration to:

7
8 **(A)** Establish and collect Assessments from each Member.

9
10 **(B)** Perfect and foreclose a lien against any property for which
11 Assessments are not paid, or to bring an action at law against the
12 Member personally obligated to pay the same.

13
14 **(C)** Pay any taxes and assessments which are, or could become, a lien
15 on the property owned by the Association.

16
17 **(D)** Contract for goods and/or services for the Common Areas,
18 facilities, and any other property for which the Association is
19 responsible.

20
21 **(E)** When permitted by law, represent the Association before any and
22 all governmental or quasi-governmental agencies, offices, groups
23 or bodies in conjunction with any matters bearing upon or
24 affecting the quality of life and property values of the
25 Association's Members, including but not necessarily limited to
26 all planning and zoning, fire protection, street lighting, public
27 utility and similar regulatory agencies.

28
29 **(F)** Grant and convey easements, licenses or rights-of-way in
30 accordance with the terms of the Declaration.

31
32 **(G)** Borrow money for maintenance or improvement of Common
33 Areas and to mortgage, pledge, or hypothecate any or all of the
34 Association's real or personal property as security for money
35 borrowed or debts incurred.

36
37 **5.3** Duties of the Board. The duties of the Board shall include, without limitation:

38
39 **5.3.1** Preparing and adopting, in accordance with the Declaration, an annual
40 budget establishing each Owner's Assessment for his/her share of the common
41 expenses, which budget shall include, but not necessarily be limited to, the
42 estimated revenue and expenses and the annual cash reserves available for
43 replacement and major repairs of the Association's facilities;

1 **5.3.2** Levying and collecting such Assessments from the Owners;

2

3 **5.3.3** Complying with applicable state law with respect to periodic audit,

4 review or compilation of the Association's financial records, at the discretion of

5 the Board, provided that if the services of a certified public accountant are

6 retained, he/she shall be appointed by the Board and paid by the Association;

7

8 **5.3.4** Providing for the operation, care, upkeep, and maintenance of Common

9 Areas;

10

11 **5.3.5** Designating, hiring, and dismissing the personnel necessary to carry out

12 the rights and responsibilities of the Association and where appropriate,

13 providing for the compensation of such personnel and for the purchase of

14 equipment, supplies, and materials to be used by such personnel in the

15 performance of their duties;

16

17 **5.3.6** Supervising all officers, agents and employees of the Association and

18 ensuring that their duties are properly performed;

19

20 **5.3.7** Depositing all funds received on behalf of the Association in a bank

21 depository, and using such funds to operate the Association.

22

23 **5.3.8** Opening of bank accounts on behalf of the Association and designating

24 the signatories required;

25

26 **5.3.9** Making or contracting for the making of repairs, additions, and

27 improvements to or alterations of the Common Area in accordance with the

28 Declaration and these Bylaws, including borrowing money on behalf of the

29 Association when required for Common Area repairs or improvements;

30

31 **5.3.10** Enforcing by legal means the provisions of the Community Documents

32 and bringing any proceedings which may be instituted on behalf of or against the

33 Owners concerning the Association; provided, the Association shall not be

34 obligated to take action to enforce any covenant, restriction or rule which the

35 Board in the exercise of its business judgment determines is, or is likely to be

36 construed as, inconsistent with applicable law, or in any case in which the Board

37 reasonably determines that the Association's position is not strong enough to

38 justify taking enforcement action;

39

40 **5.3.11** Obtaining, maintaining and carrying property and liability insurance and

41 fidelity bonds, as provided in the Declaration, and, in the discretion of the Board,

42 errors and omissions insurance on behalf of the Association's Officers and

43 Directors and committee members, paying the cost of all such insurance and/or

44 fidelity bonds, and filing and adjusting claims, as appropriate;

5.3.12 Paying the cost of all services rendered to the Association;

5.3.13 Keeping books with detailed accounts of the receipts and expenditures of the Association;

5.3.14 Permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties; and

5.3.15 Performing any other duties or functions which are required in the Community Documents or applicable law.

5.4 Management. The Board may employ for the Association a professional management agent(s) at such compensation as the Board may establish to perform such duties and services as the Board shall authorize. Any Management Agreement hereunder shall have a maximum term of **three (3)** years and shall provide for termination by either party thereto, with or without cause and without payment of a termination fee, upon **thirty (30)** days' prior written notice.

ARTICLE VI. OFFICERS

6.1 Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The President and Vice President shall be elected from among the members of the Board; other officers may, but need not be members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. The offices of Secretary and Treasurer may be held by the same person.

6.1.1 President. The President shall preside at and conduct all meetings of the Board and the Members. The President shall see that orders and resolutions of the Board are carried out; shall sign on behalf of the Association all leases, mortgages, deeds and other written instruments and agreements necessary to the Association's business; and shall co-sign all promissory notes. The President shall perform such other services as the Board of Directors may designate.

6.1.2 Vice President. The Vice President has such powers and performs such duties as the President or the Board may from time-to-time prescribe and shall perform such other duties as may be prescribed by these Bylaws. At the request of the President, or in case of his/her absence or inability 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 the restrictions upon, the President.

1 6.1.3 **Secretary.** The Secretary (or his/her designee) shall record the votes and
2 keep the minutes of all meetings and proceedings of the Board and of the Members; provide notice of meetings of the Board and of the Members; keep
3 appropriate current records showing the Members of the Association together
4 with their addresses, and shall perform such other duties as required by the
5 Board. The Secretary (or his/her designee) is the custodian of all contracts,
6 deeds, documents, all other indicia of title to properties owned by the
7 Association and of its corporate records (except accounting records). All records
8 of the Association shall be kept and maintained at the Association's principal
9 office.

11 6.1.4 **Treasurer.** The Treasurer shall receive and deposit in appropriate bank
12 accounts all monies of the Association, and shall disburse such funds as directed
13 by the Board of Directors; provided, however, that Board action shall not be
14 necessary for disbursements made in the ordinary course of business conducted
15 within the limits of a budget adopted by the Board; shall sign or monitor all
16 checks and promissory notes of the Association; keep proper books of account;
17 and shall prepare an annual budget, approved by the Board, and statement of
18 income and expenditures to be presented to the membership at its regular
19 meeting, and deliver a copy of each to the members.

21 6.1.5 **Bonding.** At the Board's discretion, all officers, directors, committee
22 chairs and members and employees, who are in any way involved in the handling
23 of Association funds, and the paid managerial personnel of the Association shall
24 be bonded or insured in a sum to be determined by the Board of Directors.

26 6.2 **Election and Term of Office.** The Board shall elect the officers of the Association
27 at the first meeting of the Board following each annual meeting of the Members, to serve for
28 one year or until their successors are elected by the Board.

30 6.3 **Removal and Vacancies.** The Board may remove any officer whenever in its
31 judgment the best interests of the Association will be served, and may fill any vacancy in any
32 office arising because of death, resignation, removal, or otherwise, for the unexpired portion of
33 the term.

35 6.4 **Resignation.** Any officer may resign at any time by giving written notice to the
36 Board of Directors, the President, or the Secretary. Such resignation shall take effect on the
37 date of the receipt of such notice or at any later time specified therein, and unless otherwise
38 specified therein, the acceptance of such resignation shall not be necessary to make it effective.

40 6.5 **Compensation.** Compensation of officers shall be subject to the same
41 limitations as compensation of Directors under Section 4.12.

1 6.6 **Special Appointments.** As set forth in **Section 6.1** above, the Board may elect
2 such other officers as the affairs of the Association may require, each of whom shall hold office
3 for such period, have such authority, and perform such duties as the Board may, from time-to-
4 time, determine.

5

6 **ARTICLE VII. COMMITTEES**

7

8 7.1 **General.** The Board may create such committees as it deems necessary and
9 appropriate to properly and effectively carry on the affairs of the Association. Each committee
10 created by the Board shall consist of a chairperson and two or more members, and shall
11 perform such tasks and serve for such periods as the Board may designate by resolution. Each
12 committee shall operate in accordance with the terms of such resolution. The Board shall
13 appoint the committee chairpersons within thirty (30) days following each annual meeting.
14 Other than the standing committees established herein, any committee may be abolished or
15 any committee member may be removed from a committee, with or without cause, by a
16 majority vote of the Board, provided a quorum is present. A committee may exercise the
17 powers specifically granted to it herein and/or by Board resolution, which may include the
18 delegated authority to take action on behalf of the Board of Directors.

19

20 7.2 **Standing Committees.** The standing committees of the Association shall be
21 those which are necessary for conducting the business of the Association and are as follows:

22

23 **7.2.1 Nominating Committee.**

24

25 **7.2.1.1 Purpose and Term of Committee.** The Nominating Committee,
26 if any, shall nominate candidates for the Directors' positions to be elected
27 and filled by the Members annually. The members of this Committee
28 shall oversee all elections during a one-year term that begins at least 120
29 days before the Annual Meeting each year.

30

31 **7.2.1.2 Selection of Members to Nominating Committee.** The
32 Nominating Committee shall consist only of Members and shall be
33 appointed by the Board.

34

35 **7.2.2 Maintenance Committee.** The Maintenance Committee shall advise the
36 Board of Directors of all matters pertaining to the maintenance, repair or
37 improvement of the common property of the Association and shall perform
38 other functions as the Board, in its discretion, determines.

39

40 **7.2.3 Finance Committee.** The Finance Committee shall make an unofficial
41 annual audit of the Association's books and approve the financial statements to
42 be presented to the membership at its annual meeting.

43

44 **7.2.4 Architectural Committee.** The Architectural Committee shall have the

duties and authority as set forth in the Declaration. The chairperson of this Committee shall be a member of the Board of Directors. The Board may act as the Architectural Committee.

ARTICLE VIII. INDEMNIFICATION

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

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

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

ARTICLE IX. MISCELLANEOUS

9.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

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

9.3 Conflicts. If there are conflicts between the provisions of the Declaration and any other of the Community Documents, the provisions of the Declaration shall prevail. If there are conflicts between the provisions of the Articles of Incorporation and these Bylaws, the Articles shall prevail.

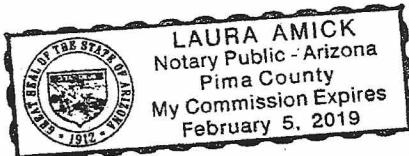
9.4 Books and Records. All financial and other records of the Association shall be made reasonably available for examination by any Member or any person designated by the

STATE OF ARIZONA)

: ss:

County of Pima)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 13th day of
November, 2017, by Jeff Harrell, President, of
CANOA ESTATES II, INC., an Arizona non-profit corporation, on behalf of the corporation.



Laura Amick

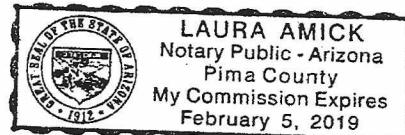
NOTARY PUBLIC

STATE OF ARIZONA)

: ss:

County of Pima)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 13th day of
November, 2017, by Teresa L. Degrana, Secretary, of
CANOA ESTATES II, INC., an Arizona non-profit corporation, on behalf of the corporation.



Laura Amick

NOTARY PUBLIC