

BYLAWS  
OF  
CRYSTAL BAY HOMEOWNERS ASSOCIATION

ARTICLE I

**NAME AND LOCATION.** The name of the corporation is CRYSTAL BAY HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 5080 North 40th Street, Suite 460, Phoenix, Arizona 85018, but meetings of members and directors may be held at such places within the State of Arizona, County of Maricopa, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Crystal Bay Homeowners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to the party which executed the Declaration, or any person or entity to whom Declarants' rights are assigned, as provided in the Declaration.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, Restrictions, Reservations and Easements applicable to the Properties recorded in the Office of the County Recorder of Maricopa County, Arizona.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

## ARTICLE III

## MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held on the first Monday of December following the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 o'clock, P.M., unless the Board of Directors determines another date or time. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before the meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting. No business shall be conducted at a special meeting other than that relating to the purpose for which it was called.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his or her Lot. Proxies may be voted only by another member.

## ARTICLE IV

## BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors, who shall be members of the Association or representatives of a member which is an entity.

Section 2. Term of Office. Except for the Directors named in the Articles of Incorporation, the Directors initially shall be elected to staggered terms of one (1), two (2) and three (3) years. The Board shall be divided as evenly as possible into three groups, each of which shall be elected to one, two and three year terms, respectively. Thereafter, all directors shall be elected to a term of three (3) years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. 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 the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

## ARTICLE V

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Board of Directors may appoint itself or any of its members to the Nominating Committee. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE VI

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held without notice, at such time, place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of 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.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Article of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent without prior notice and excuse from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the board of Directors to:

(a) 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 one-fourth (1/4) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(4) Exercise all rights and powers of the Association including (pursuant to Arizona Revised Statutes §33-1903) the right to impose reasonable monetary penalties on unit owners for violations of the Declaration, Bylaws and rules of the Association. The penalties shall be enforceable in the same manner as unpaid assessments.

(d) issue, or to cause an appropriate officer to issue, upon demand by 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;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president, a vice president, a secretary and a treasurer. all of whom shall at all times be members of the Board of Directors.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members. Until such time, the initial officers shall be:

John P. Lutich	President
Dave Cutshaw	Vice President
Allen Heytens	Secretary/Treasurer

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for such term as such officer is serving as a director, unless he or she shall sooner resign, or shall be removed, or otherwise 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 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 so replaced.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) 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.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; 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.

Treasurer

(d) 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 of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint a Design Review Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

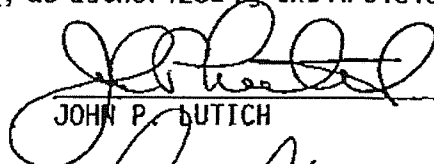
Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

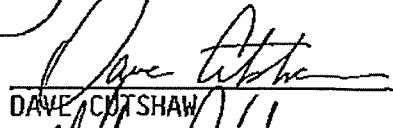
ARTICLE XIII

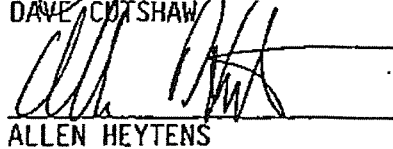
FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

IN WITNESS WHEREOF, we, being the Incorporators of the Crystal Bay Homeowners Association, have hereunto set our hands this 27 day of July, 1994, as authorized by the Articles of Incorporation of the Association.

  
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JOHN P. LUTICH

  
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DAVE COTSHAW

  
\_\_\_\_\_  
ALLEN HEYTENS



State of Arizona )  
County of Maricopa ) ss.

The foregoing instrument was acknowledged before me this 27 day of July, 1994, by JOHN P. LUTICH.

David Fyke  
NOTARY PUBLIC

My Commission Expires:  
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State of Arizona )  
County of Maricopa ) ss.

The foregoing instrument was acknowledged before me this 27 day of July, 1994, by DAVE CUTSHAW.

David Fyke  
NOTARY PUBLIC

My Commission Expires:  
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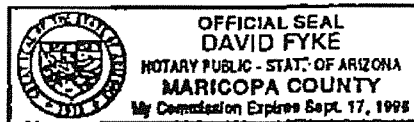


State of Arizona )  
County of Maricopa ) ss.

The foregoing instrument was acknowledged before me this 27 day of July, 1994, by ALLEN HEYTENS.

David Fyke  
NOTARY PUBLIC

My Commission Expires:  
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**AMENDMENT TO BYLAWS OF CRYSTAL BAY HOMEOWNERS  
ASSOCIATION RELATING TO AN INCREASED NUMBER OF  
DIRECTORS AND STAGGARED DIRECTOR TERMS**

**WHEREAS**, Article XII, Section 1 of the Bylaws of Crystal Bay Homeowners Association provides that the Members of the Crystal Bay Homeowners Association ("Association") may amend the Bylaws by a vote of a majority of a quorum of the members present in person or by absentee ballot; and

**WHEREAS**, the Members have determined it is in the best interest of the Association to increase the number of Directors on the Board to five (5).

**WHEREAS**, the Members have determined it is in the best interest of the Association to retain institutional knowledge on the Board from year to year and, therefore, wishes the board to have staggered terms so that the entire Board is not up for election each year.

**THEREFORE** Article 4, Sections is deleted in its entirety. A new Article 4, Section 1 is added as follows:

Number. The affairs of this Association shall be managed by a Board of five (5) directors, who shall be members of the Association or representatives of a member which is an entity.

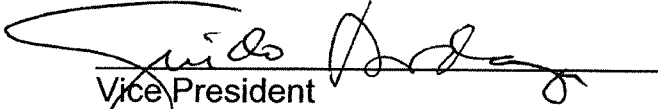
Article IV, Section 2 is deleted in its entirety. A new Article IV, Section 2 is added as follows:

Term of Office. Except as provided herein, each Director shall be elected for a term of two (2) years. In the first year of two (2) year terms, the three (3) candidates receiving the most votes shall be elected to two (2) year terms, and the two (2) candidates receiving the next highest number of votes shall be elected for one (1) year terms. If the size of the Board changes, the Board shall designate how the transition to two (2) year terms shall be achieved in light of more or fewer Directors, except that no incumbent Director's term shall be changed. The Board shall have the right to adjust the term(s) of any candidate(s) to fulfill the intention of this paragraph.

**CERTIFICATION**

The President and Secretary of the Homeowners hereby certify that **THIS AMENDMENT TO BYLAWS OF CRYSTAL BAY HOMEOWNERS ASSOCIATION RELATING TO AN INCREASED NUMBER OF DIRECTORS AND STAGGARED DIRECTOR TERMS** was approved by a majority vote of a quorum of the Members

this 30 day of May 2012.



Vice President

Guido Ardaya  
Crystal Bay HOA  
Vice President