

**BYLAWS
OF
VILLA OAK HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION. The name of the corporation is VILLA OAK HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 4040 E. McDowell Rd #206, Phoenix, Arizona 85008, 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. "Apartment" shall mean a separate freehold estate consisting of an air space or air space defined as follows: The boundaries of each such Apartment are as follows:

- (a) The lower vertical boundary is the surface of the finished floor thereof.
- (b) The upper vertical boundary is a horizontal plane, the elevation of which coincides with the elevation of the surface of the highest finished ceiling thereof.
- (c) The lateral boundaries are the interior surfaces of the perimeter walls, windows and doors thereof and vertical planes coincidental with the interior surfaces of the perimeter walls thereof, extended upwards from the finished floor to intersect the upper vertical boundary.
- (d) Each such Apartment includes the surfaces so described, and the portions of the building and improvements lying within said boundaries. Each such Apartment shall also include the ranges, dishwashers, garbage disposal units, air conditioning units, water heaters, garage door openers, and other household appliances or devices which serve the Apartment whether lying within said boundaries and/or appurtenant areas or not.
- (e) The air space and the ground surface for the private court, if any, are designated for the exclusive use of the apartment.
- (f) Unless otherwise indicated, all air space boundary lines intersect at right angles.

The following are not part of an Apartment: Bearing walls, columns, vertical supports, floors, roofs, foundations, patio walls and fences, pipes, ducts, flues, conduits, wires and other utility installations, wherever located, except the outlets thereof when located within the Apartment. In interpreting deeds, plats, declarations, and plans, the existing physical boundaries of an Apartment or an Apartment reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the description expressed in the deed, plat, plan or declaration, regardless of settling or lateral movement of the building, and regardless of minor variances between the boundaries as shown on the plan or in the deed and declaration and those of the building.

Each of the Apartments in each building shall be deemed to be a separate and distinct Apartment.

SECTION 2. "Articles" shall mean the Articles of Incorporation of the Association which shall be filed in the office of the Corporation Commission of the State of Arizona, as said Articles may be amended from time to time.

SECTION 3. "Association" shall mean and refer to Villa Oak Homeowner's Association, an Arizona non-profit corporation, its successors and assigns, formed as an entity through which the Owners may act, in accordance with A.R.S. §33-551.5 and §33-561.

SECTION 4. "Board" shall mean the Board of Directors of the Association.

SECTION 5. "Building" shall mean and refer to the structures designated as buildings on the recorded plat in accordance with A.R.S. §33-551.2, et seq.

SECTION 6. "Bylaws" shall mean the Bylaws of the Association, as such Bylaws may be amended from time to time.

SECTION 7. "General Common Elements" shall mean all the general common elements for the common use or enjoyment by more than the Owner or Owners of a single Apartment, as described in the Covenants, Conditions and Restrictions and in A.R.S. §33-551.6. The General Common Elements may sometimes hereinafter be referred to as "Common Elements". There shall be no "Limited Common Elements".

SECTION 8. "Declarant" shall mean VENTURE CAPITAL CORPORATION, an Arizona corporation, as owner, and its successors and assigns.

SECTION 9. "Improvement" shall mean all physical structures, including, but not limited to, the buildings, drives, parking areas, fences and walls, and all landscaping, including but not limited to, hedges, plantings, trees and shrubs of every type and kind.

SECTION 10. "Member" shall mean any person, corporation, partnership, joint venture or other legal entity who is a member of the Association.

SECTION 11. "Owner(s)" shall mean and refer to the record owner, whether one or more persons or entities, of equitable or beneficial title (or legal title if same has merged) of any Apartment. "Owner" shall include the purchaser of an Apartment under an executory contract for the sale of real property. The foregoing does not include persons or entities who hold an interest in any Apartment merely as security for the performance of an obligation. Except as stated otherwise herein, "Owner" shall not include a lessee or tenant of an Apartment. For the purposes of Article V of the Covenants, Conditions and Restrictions only, unless the context otherwise requires, "Owner" shall also include the family, invitees, licensees, and lessees of any Owner, together with any other person or parties holding any possessory interest granted by such Owner in any Apartment.

SECTION 12. "Property" shall mean and refer to the land as committed to the Horizontal Property Regime in fee, the buildings, all other Improvements located thereon, and all easements, rights and appurtenances belonging thereto.

SECTION 13. "Single Family" shall mean a group of one or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than three persons not all so related, together with their domestic servants, who maintain a common household in a dwelling.

SECTION 14. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the County Recorder of Maricopa County, Arizona, as same may be amended from time to time.

**ARTICLE III
MEETING OF MEMBERS**

SECTION 1. Annual Meeting. The first annual meeting of the Members shall be held at 10:00 O'clock P.M. on the First Monday in February beginning in 1983, and each subsequent regular annual meeting of the Members shall be held at the same time of the same day of the same month of each year thereafter. 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 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 fifteen (15) days before such 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.

SECTION 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, a majority 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 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 Unit.

**ARTICLE IV
BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE**

SECTION 1. Number. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than nine (9) directors, who need not be Members of the Association.

SECTION 2. Term of Office. Directors shall hold office for one (1) year, or until their successors are elected and qualified.

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 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 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 & 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 by any member not in default. 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. 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 shall be made from among Members, including agents and employees of Class B members.

SECTION 2. Election. Election to the Board of Directors shall be by secret written ballot or oral vote. At such election the Members of 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 person receiving the largest number of votes shall be elected.

ARTICLE VI

MEETING OF DIRECTORS

SECTION 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such 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 (2) directors, after not less than three (3) days' notice to each director, unless such notice is waived by all directors, or within a reasonable time after the presentation to the President of the Association of a petition signed by twenty-five (25%) per cent of the owners not in default.

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 & 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 of a Member during any period in which such Member shall be in default in the payment of the assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (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 Articles 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 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 Owner subject thereto; and

(2) Send written notice of each assessment to every Owner subject thereto; and

(3) Enforce collection, by lien foreclosure or otherwise, of assessments which are not paid.

(d) Issue, or to cause as 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 & THEIR DUTIES

SECTION 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

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.

SECTION 3. Term. The officers of this 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 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 the 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. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) 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 promissary notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability of 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 an appropriate bank account all moneys of the Association and shall disburse such funds as directed by resolution by the Board of Directors; shall sign all checks and promissary 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 meeting, and deliver a copy of each to the Members.

**ARTICLE IX
COMMITTEES**

The Association may appoint an Architectural Committee, as provided in the Declaration, and shall appoint 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 & 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, where copies may be purchased at reasonable cost.

**ARTICLE XI
ASSESSMENTS**

As more fully provided in the Declaration, each Member is obligated to pay 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. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of Eighteen per cent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees in any such action shall be added to the amount of each assessment. No owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Unit.

**ARTICLE XII
CORPORATE SEAL**

The Association shall have a seal in a form approved by the Board of Directors.

**ARTICLE XIII
MISCELLANEOUS**

SECTION 1. Amendments. These Bylaws may be amended, by a majority vote of the Directors present at a regular or special meeting of the Board of Directors called for that purpose.

SECTION 2. Conflicting Documents. 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.

SECTION 3. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of August and end on the 31st day of July of every year, except that the first fiscal year shall begin on the date of incorporation. (August 10, 1982)

IN WITNESS WHEREOF, I, being the President of VILLA OAK HOMEOWNERS ASSOCIATION, INC., have hereunto set my hand this 12th day of August, 1982.

/s/ Sam Nocifera

President

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of VILLA OAK HOMEOWNERS ASSOCIATION, INC., an Arizona non-profit corporation, and

THAT the foregoing Bylaws constitutes the original Bylaws of said Association, as duly adopted at a meeting of the Members thereof, held on the 12th day of August, 1982.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 12th day of August, 1982.

(Seal)

/s/ Joyce E. Pullen
Secretary