

**SECOND AMENDED AND RESTATED BY-LAWS
EL CONQUISTADOR RESORT PATIO HOMES ASSOCIATION, INC.**

The capitalized terms used herein shall have the same definitions as set forth in Article 1 of the Second Restated and Amended Declaration of Covenants, Conditions and Restrictions recorded at Sequence No. 20141480079 in the official records of Pima County, Arizona, as same may be amended from time to time.

Article 1 – Meetings of Members

Section 1.1: Annual Meetings

The annual meeting of the Members shall be held in February or March at a date, time and place as designated by the Board.

Section 1.2: Special Meetings

Special meetings may be called at any time by the President or a majority of directors or upon written request of Members representing at least twenty-five percent (25%) of the eligible votes in the Association. The purpose of the meeting shall be specified and discussion limited to the specified subjects.

Section 1.3: Notice of Meetings

Written notice of meetings 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 ten (10) nor more than fifty (50) 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, date and hour of the meeting and the purpose of the meeting.

Section 1.4: Voting.

A. Rights. Each Member shall be entitled to one (1) vote for each Lot owned by such Member; provided, however, that no more than one (1) vote may be cast for a Lot. When more than one (1) person or entity holds an interest in any Lot, the vote for that Lot shall be exercised as agreed upon by the owners thereof. If any Member casts a vote representing a certain Lot, it will be conclusively presumed for all purposes that such Member was acting with the authority and consent of other owners of the same Lot ("Co-Owners") unless an objection or protest is made by a Co-Owner prior to the completion of the vote, in which case no vote for that Lot shall be counted. In the event that more than one (1) vote is cast for a particular Lot, none of said votes shall be counted.

B. Procedures. In any action on a matter submitted to a vote of the Membership at a meeting, Members may vote in person or by absentee ballot. Ballots shall be provided with the notice of the meeting and meet the following requirements: (i) set forth each

proposed action; (ii) provide an opportunity to vote for or against each proposed action (except in an election of directors); (iii) specify the time and date by which the ballot must be delivered to the Association in order to be counted, which shall be at least seven (7) days after the date that the Association delivers the ballot to the Member; and (iv) contain the name, address and signature of the person voting. 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 (1) year after completion of the vote. Absentee ballots may be returned by U.S. mail or any other form of delivery determined by the Board including the use of e-mail and fax delivery.

Section 1.5: Quorum

The presence of Members, in person or by absentee ballot, representing twenty-five percent (25%) of the total eligible votes in the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws.

Section 1.6: Action without a Meeting

Except as otherwise required by law, any vote of the Members may be taken by written ballot in conformance with the following requirements: (i) the Association delivers a written ballot to every Member entitled to vote on the matter, giving the Member an opportunity to vote for or against the proposed action (except in an election of directors), and setting forth the proposed action, the number of responses needed to meet quorum requirements, the percentage of approvals needed to approve the matter, and the time by which a ballot must be delivered in order to be counted, which shall not be fewer than three (3) days after the Association delivered the ballot to the Members; (ii) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action; and (iii) the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting.

Article 2 - Board of Directors

Section 2.1: Nomination and Election

The Secretary shall issue, or cause to have issued, a call for candidates for election to the Board no less than sixty (60) days prior to the annual meeting of the Members. Any Member in good standing may submit his or her name as a candidate for election to the Board. The election of directors shall be held at the annual meeting. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 2.2: Number of Directors; Qualifications

The affairs of this Association shall be managed by a Board of seven (7) directors all of whom shall be Members.

Section 2.3: Term of Office

The terms of directors shall be three (3) years and such terms shall be staggered. The Board may select which directors shall serve less than a three-year term in order to establish or re-establish such staggered terms. Directors may succeed themselves indefinitely, but in no instance shall there be more than one (1) director from the same Lot.

Section 2.4: Vacancies

In the event of a vacancy on the Board due to any reason other than the expiration of a director's term, the remaining members of the Board, even if less than a quorum, may appoint a director to fill such vacancy and the director so appointed shall serve for the unexpired term of his predecessor.

Section 2.5: Removal of Directors

The Members, by a majority vote of Members entitled to vote and voting on the matter may remove one or more directors with or without cause. For purposes of calling for removal of a director, the following applies:

1. On receipt of a petition that calls for removal of a director and that is signed by the number of persons who are entitled to cast at least twenty-five percent (25%) of the votes in the association, the board shall call and provide written notice of a special meeting of the Association as prescribed by A.R.S. §33-1813.

2. The special meeting shall be called, noticed and held within thirty (30) days after receipt of the petition.

3. For purposes of a special meeting called pursuant to this subsection, a quorum is present if the number of Members to whom at least twenty percent (20%) of the votes are allocated is present at the meeting in person or by absentee ballot.

4. Upon removal of a majority of directors, the Association shall conduct an election for the replacement of such directors to be held no more than thirty (30) days after the directors' removal.

5. A petition that calls for the removal of the same member of the Board shall not be submitted more than once during each term of office for that member.

Section 2.6: Compensation

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

Article 3 - Meetings of Directors**Section 3.1: Regular Meetings**

Regular meetings of the Board shall be held no less than six (6) times a year at a date and time determined by the Board.

Section 3.2: Special Meetings

Special meetings of the Board shall be held when called by the President of the Association, or by any two directors after not less than two days' notice to each director.

Section 3.3: Notice to Members.

Notice to Members of meetings of the Board shall be given at least forty-eight (48) hours in advance of such meetings by newsletter, conspicuous posting or any other reasonable means as determined by the Board unless emergency circumstances require action by the Board before notice can be given. In the event that the Board holds an emergency meeting without notice to the Members, the minutes shall state the reason necessitating the emergency and the minutes of the meeting shall be read and approved at the next regularly scheduled meeting of the Board.

Section 3.4: 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.

Section 3.5: Telephonic Meetings

Meetings of the Board may be held with one or more directors participating by telephone or other electronic device by which person(s) participating in the meetings can hear each other.

Section 3.6: Conduct of Meetings.

A. Open Meetings. Except as to those matters set forth in subsection B below, regular and special meetings of the Board shall be open to all Members or any person designated by a Member in writing as the Member's representative. Members or their designated representatives shall have the opportunity to speak before the Board takes action on any matter. The Board may establish reasonable rules for such Member participation including, but not limited to, limitations on the number of persons speaking on any issue and the amount of time allocated for that purpose. An agenda of the meeting shall be made available to all Members in attendance.

B. Executive Session. After stating the reason(s) for holding a Board meeting (or a portion thereof) in executive session, either in the notice of the meeting or by announcement at the meeting, the following matters may be discussed in executive session at the discretion of the President:

1. Legal advice from an attorney for the Board or the Association.
2. Pending or contemplated litigation.
3. Personal, health or financial information about an individual Member of the Association, an individual employee of the Association or an individual employee of a contractor for the Association, including records of the Association directly related to the personal, health or financial information about an individual Member, an individual employee of the Association or an individual employee of a contractor for the Association.
4. Matters relating to the job performance of, compensation of, health records of or specific complaints against an individual employee of the Association or an individual employee of a contractor of the Association who works under the direction of the

Association.

5. Discussion of a Member's appeal of any violation cited or penalty imposed by the Association except on request of the affected Member that the meeting be held in an open session.

Section 3.7: Action without a Meeting.

The Board 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, and as long as such action was previously addressed at an open meeting or an emergency situation exists that requires immediate action. Any action so approved shall have same effect as though taken at a Board meeting and shall be memorialized by attaching the written approvals of directors to the minutes of the next Board meeting.

Article 4 - Powers and Duties of the Board of Directors

Section 4.1: Powers

The Board has all of the powers of a Board of an Arizona Nonprofit corporation, subject only to those limitations set forth in the Association's Articles of Incorporation, these By-Laws, and the Declaration. The Board has the power to do any and all lawful acts which may be authorized by the articles, these By-Laws, and the Declaration and any acts which may be necessary or incidental to the exercise of any of the express powers of the Association. In addition to any other powers, the Board has the specific power to:

1. Suspend the voting rights 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 infraction of published rules and regulations;
2. Exercise for the Association all powers, duties and authority vested in or delegated to this Association, and not reserved to the Members by other provisions of these By-Laws, the Article of Incorporation, or the Declaration;
3. Declare the office of a director to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;
4. Employ a manager, an independent contractor, or employees as they deem necessary, and to prescribe their duties.

The employment of a "manager" or a "professional management company" to handle the affairs of the Association does not, in any way, relieve the individual directors from the fiduciary duties and responsibilities that would apply to them in the absence of such a manager or professional management company.

5. To do all other acts and things required by applicable law or statute or authorized in the Declaration but not explicitly set out above.

Section 4.2: Duties

As more fully set forth in the Declaration, the Board has the duty to:

1. Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed
2. As more fully provided in the Declaration, to:
 - (a) Fix the amount of the annual or any special assessment against each lot;
 - (b) Send written notice of each annual or special assessment to every Member at least 30 days prior to the first due date of such assessments.
 - (c) Review and approve the annual budget submitted by the Treasurer for the following fiscal year. In no event will the written notice of the annual assessment amount for the coming year be sent to the Members until the Board has voted to approve and adopt the budget for that coming year.
 - (d) Use any lawful means to collect delinquent accounts in accordance with provisions stated in these By-Laws and the Declaration. In all such matters, the Board shall follow the provisions of the laws of the state of Arizona.
 - (e) Issue, or cause an appropriate officer to issue, upon request by any Member, a certificate setting forth whether or not his/her assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates.
 - (f) Procure and maintain adequate liability and hazard insurance on property owned by the Association in amounts determined by the Board in its sole discretion.
 - (g) Cause the common areas and all other areas for which the Association is responsible to be maintained.
 - (h) Ensure that the exterior of the dwelling units for which the owner is responsible is properly maintained.

Section 4.3. Rules and Regulations

The Board has the power to adopt and publish rules and regulations which govern the use of the common areas and the conduct of Owners thereon and to impose sanctions for violations of such rules and regulations. Rules and regulations adopted by the Association shall be binding on all the Owners including the members of their family, their guests, tenants, licensees and invitees.

Article 5 - Officers and Their Duties

Section 5.1: Enumeration of Offices

The officers of this Association shall be President, Vice President, Secretary and Treasurer, who shall at all times be directors, and such other officers as the Board may from time to time create by resolution.

Section 5.2: Selection of Officers

The selection of officer positions shall take place at the first open meeting of the Board following each annual meeting of the Members.

Section 5.3: Term

The officer positions of this Association shall be elected annually by the Board, and each shall hold office for one (1) year, unless he/she resigns, is removed or is otherwise disqualified to serve.

Section 5.4: 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 5.5: Resignation and Removal

Any officer may be removed from office, with or without cause, by a majority vote of 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 5.6: 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/she replaces.

Section 5.7: Multiple Offices

No person shall simultaneously hold more than one office except in the case of special offices pursuant to Section (4) of this article, and in case of the offices of Secretary & Treasurer, which may be held by the same person.

Section 5.8: Duties

The duties of the officers are as follows:

President

The President shall preside at all meetings of the Board and Members. The President shall see that orders and resolutions of the Board are carried out. The President shall sign all leases, mortgages, deeds and other written instruments and agreements and shall also sign, along with the Treasurer, all promissory notes of the Association.

The President shall be responsible for ensuring that the business of the Association is carried out in a totally transparent manner and shall cause to be maintained, an association website accessible by all Owners with access to the internet.

Specifically, the President is responsible for ensuring that:

Executive meetings of the Board, wherein attendance by non-director Owners is prohibited, are held only in those instances specifically permitted by the Arizona statutes.

In the month following their occurrence, there shall be posted on the website the approved minutes of all monthly board meetings, annual meetings of the Members and any special meetings.

Each month, the year to date financial statements of the Association shall be posted to the web site. These shall include a balance sheet and a statement of Income. A statement of operating expenses versus the approved budget shall also be provided.

Each month, a copy of all Association bank statements and any statements/documents substantiating investments included on the balance sheet will be posted to the web site with the financials.

The website shall also include all newsletters issued by the Association.

The President is specifically responsible for ensuring that the following administrative tasks have been completed for each fiscal year:

The required annual filing and fee payment with the Arizona Corporation Commission has been made.

All required federal and state Income tax returns have been filed on a timely basis and all payments for such returns have been made.

All real estate tax filings and payments have been made to Pima County.

All required inspections of the irrigation system components have been made and the appropriate required reports have been filed with the Town of Oro Valley.

The preparation of either a financial audit, or a review or a compilation has been completed on a timely basis.

A once a year board review of Association insurance coverage has been made and discussed at a regular scheduled monthly board meeting.

Any proof of insurance coverage required by an agreement with a contractor has been received on a timely basis from the party providing such coverage.

All other legal filings required to be made to all applicable governing agencies that may not be listed above, have been made on a timely basis.

Once each fiscal year, the President shall, at an open regularly scheduled Board meeting, certify to the Board and Members that all such legally required filing requirements have been made on a timely basis.

Vice President

The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

The Secretary shall be responsible for recording the votes and keeping the minutes of all meetings and proceedings of the Board and of the Members; providing notice of meetings of the Board and of the Members; keeping appropriate current records showing the Members, together with their addresses and contact information and shall perform such other duties as required by the Board.

Treasurer

The Treasurer shall be responsible for receiving and depositing in appropriate bank accounts all monies of the Association, and shall disburse such funds as directed by resolution of the Board, provided, however, that a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget or contract adopted by the Board.

The Treasurer shall keep, or cause to be kept, proper books of account.

The Treasurer shall prepare, or cause to be prepared, the monthly year-to-date financial statements referred to in the above section of "Duties of the President".

The Treasurer, along with the President, shall be an authorized signer for all promissory notes of the Association.

The Treasurer shall sign Association checks except those which are paid by a paying agent such as a bank. In the absence of the Treasurer, Association checks may be signed by another board member who is an authorized check signer.

In accordance with the laws of the State of Arizona, the Treasurer shall cause an annual financial compilation of the Association books to be made within one-hundred and eighty days (180) of the end of each fiscal year. The Board may vote to have a review or a financial audit for any given year. In that case such a review or audit shall displace the need for a compilation for that year.

The Treasurer shall prepare a balance sheet, an income statement and a statement comparing the actual income and expenditures to the amounts budgeted for the year just completed. These statements, together with a budget for the new year, will be delivered via postal mail to the Members prior to the regular annual meeting.

The Treasurer shall notify all Board members when the financial statements have been posted to the website each month in sufficient time to provide them with an opportunity to review the statements prior to the next Board meeting.

Accounting Practices

The Treasurer shall ensure that the books of account are recorded using the accrual method of accounting.

The Treasurer shall ensure that invoices for any goods or services are recorded on the books in the fiscal period in which the goods or service was delivered whether or not payment for such goods and services has been made in that fiscal period.

The Treasurer shall ensure that assessments (received and deposited) that are applicable to a future fiscal year are not spent for any purpose before the start of the fiscal year to which they are applicable.

Reserves

The Treasurer shall ensure that reserve funds are kept in a bank account(s) separate from the bank account(s) used for operating fund purposes and that any interest earned by such reserve account funds is credited to the reserve fund and not to any other fund.

The Treasurer shall ensure that allocations to the reserve fund from assessments are in fact made to the reserve fund bank account(s) in the amounts and periods budgeted for the fiscal year.

With the approval of the Board (at an open regular scheduled Board meeting), the Treasurer may borrow a specific amount of funds from the reserve funds for use by the operating fund for a specific purpose. Any such borrowings shall be accomplished via a funds transfer from the reserve bank account to the operating bank account. The funds transfer shall be recorded on the books as an inter-fund payable/receivable transaction and shall be shown as such on the fund balance sheets posted to the website each month until repayment is made.

If any balance of such a transaction remains unpaid at the end of the year in which it occurs, the unpaid amount must be included in the budget for the following year as a use of funds from the following year's income and the amount must be paid back to the reserve fund in that following year.

Funds for such repayment shall not be provided for by recording another inter-fund transaction

or by reducing the annual contributions to the reserve fund below what is called for in the published reserve study.

Article 6 - Miscellaneous

Section 6.1: Committees. The standing committees of the Association shall be:

The Nominating Committee

The Architectural Committee

The Covenants Committee

The Landscape Committee

In addition, the Board shall appoint any other committees which it deems appropriate in carrying out the purposes of this Association.

Committee members need not be members of the Board; provided, however, that the chairperson of the Architectural Committee shall be a director.

Section 6.2: Indemnification. Every officer or director of the Association shall be indemnified by the Association against all expenses, liabilities and penalties, including counsel fees, reasonably incurred by or imposed upon him/her in connection with any proceeding to which he/she may be made a party or in which he/she may become involved by reason of any acts or omissions alleged to have been committed by him/her while acting within the scope of his/her employment as a director or officer of the Association, including any settlement thereof, provided that such person acted in good faith and did not act, fail to act or refuse to act with fraudulent or criminal intent in regard to the matter involved in the action or proceeding.

The Association shall purchase and maintain insurance on behalf of any person who is or was a director or officer of the Association or was serving at the request of the Association as a director or officer against any liability asserted against him/her and incurred by him/her in any such capacity or arising out of his/her status as such, whether or not the Association would have the power to indemnify him against such liability under this article.

The right of indemnification hereinabove provided shall not be exclusive of any rights to which any director or officer of the Association may otherwise be entitled by law.

Section 6.3: Books and Records.

Subject to the provisions of A.R.S. §33-1805, the books, records and papers of the Association shall be subject to inspection by any Member. The Association may charge a fee of no more than fifteen (15) cents per page for copies of same.


Section 6.4: Fiscal Year.

The fiscal year of the Association shall begin on the first day of January and end on the last day of December of each year.

Section 6.5: Amendments. These By-Laws may be amended by the affirmative vote of Members representing a majority of the total votes in the Association or two-thirds (2/3) of those voting on the matter, whichever is less.

These Second Amended and Restated By-Laws of El Conquistador Resort Patio Homes Association, Inc. were approved by at least two-thirds of the Members voting on the matter on the 21st day of February, 2024

EL CONQUISTADOR RESORT PATIO HOMES ASSOCIATION, INC., an Arizona nonprofit corporation

By: 
Its: President