



## DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This Document is a revision of the CCR's/Bylaws which were recorded November 26, 1976, No. 11960, pages 424-436 with the Maricopa County Recorder's Office. These revised documents supersede the previously recorded CCR's/Bylaws.

WITNESSETH:

Whereas, The Trails at Scottsdale Community Association is the Owner of certain property in the City of Scottsdale, County of Maricopa, State of Arizona, which is more particularly described as:

*Lots 1 through 172, inclusive, and Tracts A through G, inclusive, THE TRAILS AT SCOTTSDALE, according to plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 184 of Maps, Page 37. ("Subdivision" hereinafter).*

NOW THEREFORE, The Trails at Scottsdale Community Association hereby declares that all of the properties described above shall be hold, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

### ARTICLE I DEFINITIONS

Section 1. "**Association**" shall mean and refer to THE TRAILS AT SCOTTSDALE COMMUNITY ASSOCIATION, an Arizona corporation, formed its successors and assigns."

Section 2. "**Owner**" shall mean and refer to the record Owner, whether one or more persons or entities, or a fee simple title to any Lot which is a part or the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "**Properties**" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance or the first lot is described as follows:

*Tracts A, B, C, D, E, F and G, THE TRAILS AT SCOTTSDALE, according to Plat of record in the office or the County Recorder or Maricopa County, Arizona in Book 184 of Maps, Page 37.*

Section 5. "**Lot**" shall mean and refer to any plot of land show upon any recorded subdivision map of the Properties with the exception of the Common Area.

ARTICLE II  
PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment.

1. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members.
2. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two thirds (2/3) of Members has been recorded.

Section 2. Delegation of Use.

1. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III  
MEMBERSHIP AND VOTING RIGHTS

Section 1.

1. Every Owner of a lot which is subject to assessment shall be a Member of the Association.
2. Membership shall be appurtenant to and may not be separated from Ownership of any Lot which is subject to assessment.

Section 2.

1. Members shall be all Owners and shall be entitled to one vote for each Lot owned.
2. When more than one person holds an interest in any Lot, all such persons shall be Members.
3. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

ARTICLE IV  
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

1. Each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:
  - a) annual assessments or charges, and
  - b) special assessments for capital improvements, such assessments to be established and collected as herein after provided.
2. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made.

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3. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.
4. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

### Section 2. Purpose of Assessments and Prima Duties of Association.

1. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.
2. Included within, but not as a limitation upon the power of the Association, the Association shall have the primary duty to perform the following maintenance:
  - a) Chemical weed treatment as necessary or proper to maintain desert landscaping within Common Areas.
  - b) Watering as necessary or proper to maintain said desert landscaping.
  - c) Periodic raking as necessary or proper to maintain said desert landscaping.
  - d) Repair of any damage to perimeter wall as is located upon a part of The Common Area and enforcement of obligations of each Owner of a Lot wherein such perimeter wall is in part located to maintain such portion of wall as is located upon the lot owned by said Owner.
  - e) Maintenance of retention area of Tract E and collection facility therein free of debris or any other obstruction as necessary or proper in order that storm waters may be received and dissipated therein

### Section 3. Maximum Annual Assessments.

1. The maximum annual assessment may be increased each year not more than
  - a) 5% above the maximum assessment for the previous year without a vote of the Membership, or
  - b) that percentage by which the Consumer Price Index (National) has increased during the most recent twelve month period (as of the of action by the Board of Directors) as to which said index has been published by the Department of Labor; whichever percentage is the greater.
2. The maximum annual assessment may be increased above the percent permitted by provisions of subparagraph (a) above by a majority of Members who are voting in person or by proxy, at a meeting duly called for this purpose.
3. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

### Section 4. Special Assessments for Capital Improvements.

1. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a

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capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of a majority of votes of Members who are voting in person or by proxy at a meeting duly called for this purpose.

### Section 5. Notice for An Action Authorized Under Sections 3 and 4.

1. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting.

### Section 6. Uniform Rate of Assessment.

1. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a quarterly basis.

### Section 7. Date of Commencement of Annual Assessments: Due Dates.

1. The Board of Directors shall fix the amount of the annual assessment against each Lot at the December meeting. Written notice of the annual assessment shall be sent to every Owner subject thereto.
2. The due dates shall be established by the Board of Directors.
3. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid.
4. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

### Section 8. Effect of Nonpayment of Assessments: Remedies of the Association.

1. Any assessment not paid within one hundred eighty (180) days after the due date shall bear interest from the due date at the rate of (18%) percent per annum.
2. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property.
3. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

### Section 9. Subordination of the Lien to Mortgages.

1. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or any first deed of trust.
2. Sale or transfer of any Lot shall not affect the assessment lien.
3. However, the sale or transfer of any Lot pursuant to mortgage foreclosure ordered of trust foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer.
4. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V  
USE RESTRICTIONS

Section 1.

1. The Properties shall be for residential use only and construction thereon is restricted to single family dwellings and no business uses or activities of any kind whatsoever shall be permitted or conducted upon said premises.

Section 2. Architectural Control.

1. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board.
2. When applicable, a City of Scottsdale building permit is required.
3. If any construction that may be required by this Declaration to be approved be commenced and completed before such approval is obtained, then such construction shall be deemed automatically approved thirty (30) days after it is completed, provided that no suit to enjoin or otherwise prevent the completion of the construction nor suit to enjoin or otherwise prevent continuance or the existence or maintenance of the structure or improvement constructed on the lot nor action to recover damages caused or anticipated by such construction is commenced, that is, filed with a court of competent jurisdiction with County of Maricopa, State of Arizona, before date thirty (30) days after date the construction is completed.
4. Approval of the Board of Directors is not required to change existing external colors on any structure if, and only if, the color or colors for external walls and trim are to remain the same.
5. The garage doors shall be considered either external wall or trim, at member's option.
6. Color changes shall need the approval of the Architectural Committee.

Section 3. New Construction.

1. All Improvements erected upon said promises shall be of new construction and no buildings or structures shall be moved from other locations onto said premises.

Section 4. Size.

1. The floor area of the dwelling, exclusive of porches, garages, carport and patios, shall be not less than 975 square feet unless otherwise approved by the Committee.

Section 5. Signs.

1. No sign of any kind shall be displayed to the public view of any lot, except one sign of not more than five (5) square feet, advertising the property for sale or rent, or as approved by the Association.

Section 6. Sight Distance at Intersections.

1. No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways, shall be permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended.
2. No tree shall be permitted to remain within such distance of such " " intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 7. Antennas.

1. Antennas for reception of television and radio signals of less than ten (10) feet in height from highest point of roof of residence upon lot may be erected.
2. No other antennas or device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any lot, whether attached to a building or structure or otherwise, without written approval of Association which Association shall consider in addition to normal architectural appearance considerations, whether use of device will be a nuisance and interfere with television and radio reception of Owners or other lots.

Section 8. Clothes Drying Facilities.

1. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on front yard or carport or any lot unless they are at location not visible from neighboring property or street adjoining said lot.

Section 9. Trash Containers and Collection.

1. No garbage or trash shall be placed or kept on any lot except in covered containers which conform to requirements of the City or Scottsdale.
2. In no event shall such containers be maintained so as to be visible from neighboring property except to make the same available for collection, and, then, only the time, reasonably necessary to effect such collection.
3. All rubbish, trash, or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon.
4. No incinerators shall be kept or maintained on any lot.

Section 10. Abandoned or Inoperable Vehicles.

1. No vehicle of any type which is abandoned or inoperable shall be stored or kept on any lot in such a manner as to be visible from neighboring property or from any streets within the subdivision.
2. License plates must be current.

Section 11. Front Yard Parking Requirements.

1. Boats and trailers parked in residential areas must be parked on an improved surface that is delineated from the landscaped areas and parking of all vehicles cannot exceed more than 35% of the total front yard area.
2. The following are the requirements:
  - a) The total aggregate parking and/or driveway shall be lesser of 35% of the front yard area or 30 linear feet of the lot frontage.
  - b) No vehicle shall be occupied for permanent living purposes while stored at a residence.
  - c) Any vehicle parked in a front yard must be parked:
    - i. At least one foot from any existing sidewalk
    - ii. At least three feet from a non-sidewalk curb; and
    - iii. At least one foot from any side lot line.
  - d) General standards for designated parking areas:
    - i. All areas designated as parking or driveway shall be either a dust free surface consisting of concrete, asphalt, cement, brick, or sealed aggregate pavement; or three (3) inches of crushed rock,
    - ii. All areas designated as parking or driveway shall be completely contained within a permanent border,
    - iii. Dust free surface does not include areas of grass, lawn, compacted or hard packed dirt.
3. There are no "grandfathered" rights associated with these new restrictions. (Section 7.200, Subsection I) of the Scottsdale Zoning Ordinance adopted 8/1/2003.

Section 12. Motor Vehicle Repair.

1. Except with approval of the Association, no motor vehicle, boat, or trailer shall be constructed, reconstructed or repaired, upon any lot or street in such a manner as will be visible from neighboring property; provided, however, that the provisions of this Section shall not apply to repairs completed within two days from date commenced.

Section 13. "Visible From Neighboring Property".

1. As utilized in this Article, "Visible From Neighboring Property" shall mean, with respect to any given object, that such object is or would be visible to a person six feet tall, standing on any part of such neighboring property at an elevation no greater than the elevation of the base of the object being viewed.

Section 14. Nuisances.

1. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 15. Livestock and Poultry.

1. No animals, livestock or poultry, of any kind, shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred or

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maintained for any commercial purpose and are kept in such a manner as not to cause an noxious odor to the neighborhood.

2. Owners of pets must comply with City of Scottsdale Ordinance 1459 Mandate; house pets are not to be allowed to run loose, must be on a leash and must be cleaned up after and no incessant barking.

### Section 16. Easements.

1. Easements, as indicated upon the recorded plat of the Subdivision is reserved for the installation and maintenance of public service utilities and other uses for public or quasi-public good.
2. No buildings shall be placed upon such easements or interference be made with the free use of the same for the purposes intended.

### Section 17. Perimeter Wall.

1. Ownership of perimeter wall shall as to the portion of such wall located upon a Lot be owned by the Owner of said Lot and where such wall is located upon Common Areas be owned by the Association.
2. "Such Ownership shall be subject to use restrictions, easement and maintenance responsibilities as herein set forth.
3. The Owner of each lot upon which is built or which adjoins the perimeter wall to the Subdivision shall be responsible for repair and maintenance of so much of said wall as is upon or adjacent to the lot owned.
4. The exterior of the perimeter wall shall not be changed as to color nor shall any change be made in the structure of said wall, nor any gate be inserted therein unless the approval of the Association is first obtained and consent of City of Scottsdale is also obtained.
5. Should any Owner fail to provide maintenance and repair as required herein the Association may deliver written notice of the need for maintenance and provide that correction is to occur within fifteen (15) days of said notice.
6. In the event correction is not made by Owner, the Association may cause said maintenance to be performed upon the wall.
7. The reasonable costs of such maintenance shall be a lien upon said lot upon the filing by the Association of affidavit in the Office of the County Recorder of Maricopa County, State of Arizona, stating action taken pursuant to this section and stating the amount due for such maintenance, to whom it was paid and by whom advanced, the date of payment, and designating the lot to which the lien applies.
8. Each lot which is built or which adjoins the perimeter wall to the development as constructed as a part of the development of the Subdivision or any part thereof, shall be subject to an easement for encroachment, settling and right of entry during daylight hours to yard areas as necessary or proper for repair or maintenance of said wall, provided no such entry shall occur without advance written notice of 48 hours or more delivered to occupant of residence located upon the lot to be entered or posted on front of residence located upon such lot.
9. Said right of entry shall exist in (1) the City of Scottsdale, Arizona, or (2) in Association.



Section 18. Drainage.

1. No Owner acquiring title to a lot improved with a residential dwelling shall thereafter fill, block, or obstruct any drainage easements and drainage structures on the demised premises, nor shall Owner cause or suffer to be erected on the demised premises any building or "obstruction which directly or indirectly obstructs the drainage as established by developer at the time of initial construction except with consent of the Association, and Owner agrees to make and forever to repair and maintain an such drainage easements and drainage structures on the lot premises, making good nevertheless, at his own expense, all damage which may be caused to the said drainage easements and structures on the lot, and Owner agrees to repair at his own expense, all damage to any structure on any lot which may be caused directly or indirectly by his obstructing, blocking or filling any such drainage easements.

Section 19. Maintenance of Lawns and Plantings.

1. Each Owner of a lot shall keep all shrubs, trees, grass and plantings of every kind on his lot, including set back areas, planted areas between adjacent sidewalks and the street curb, if any, and any other area located between the boundary line of his property and the street or any other property on which such Owner's property abuts, neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material.
2. During prolonged absence, such Owner of a lot agrees he will arrange for the care of the property during such absence.
3. Should any Owner fail to so maintain his lot, the Association may deliver written notice of need for maintenance and provide that correction is to occur within fifteen (15) days of said notice.
4. In the event correction is not so made by Owner, the Association may cause said maintenance to be performed upon the lot, such maintenance to be limited to exterior of residence.
5. The reasonable costs of such maintenance shall be a lien upon said lot upon the filing by the Association of Affidavit in the Office of the County Recorder of Maricopa County, State of Arizona, stating action taken pursuant to this section and stating the amount due for such maintenance, to whom it was paid and by whom advanced, the date of payment and designating the lot to which the lien applies.

Section 20. Encroachment and Easements for Maintenance.

1. Each lot shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed by the original builder.
2. A valid easement for said encroachments and for the maintenance of same, so long as the residence stands, shall and does exist. In the event the residence is partially or totally destroyed, and then rebuilt the Owners agree that minor encroachments of parts of the adjacent residence due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.
3. Anything to the contrary notwithstanding, any such encroachment shall not exceed (1) foot.
4. Further, each lot shall be subject to 3-foot easement for maintenance as set forth on recorded plat of the Subdivision.

Section 21. Declaration of Association Duties to Architectural Committee.

1. The Association may be resolution delegate to its Architectural Committee duties and rights ie: Use Restrictions under this Article.

Section 22. Leasing Obligations of Tenants and Other Occupants.

1. All tenants shall be subject to the terms and conditions of this Declaration, the Articles, the Bylaws and the Association Rules.
2. Any agreement for the lease/rental of a lot must be in writing and must be expressly subject to the Declaration, the Articles, the Bylaws and the Association Rules.
3. Any agreement for the lease/rental of a lot must be for a duration of at least sixty (60) days.
4. The lease must contain a provision that any violation of the Declaration, the Articles, the Bylaws and the Association Rules is grounds for eviction.
5. Owners shall submit a "rental registration form" to the Association for each new tenant and for each new lease, in a form prepared for the Association by the Board of Directors.
6. If an owner fails to provide the require form to the Association in a timely manner as determined by the Board, the Association may impose reasonable monetary penalties as determined by the Board and any other remedies available under the Declaration and Arizona law.
7. The Owner shall remain liable for compliance with the Declaration, the Articles, the Bylaws and the Association Rules and shall be responsible for any violations thereof by his tenant or his tenant's family and guests.
8. All notices shall be sent to the Owner.
9. Each Owner shall provide a copy of the Declaration, the Articles, the Bylaws and the Association Rules to each tenant of his lot.
10. By becoming a tenant, each tenant agrees to be bound by the Declaration, the Articles, the Bylaws and the Association Rules.
11. Alternatively, the Association may provide notice to the Owner of the Tenant's violations, and require that the Owner evict the tenant for violations.
12. If the Owner fails to evict the tenant, the Association may impose reasonable monetary penalties as determined by the Board and any other remedies available under the Declaration and Arizona Law.

ARTICLE VI  
PARTY WALLS

Section 1. General Rules of Law to Apply.

1. Each wall which is built as a Part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance.

1. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or other Casualty.

1. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution for the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing.

1. Notwithstanding any other provision of this Article, an Owner who by the negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land.

1. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration.

1. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, such party shall choose one arbitrator and such arbitrators shall choose one individual arbitrator, and the decision shall be by a majority of all the arbitrators.

**ARTICLE VII  
GENERAL PROVISIONS**

Section 1. Enforcement.

1. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservation, liens and charges now or hereafter imposed by the provisions of this Declaration.
2. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability.

1. Invalidity of any one of these covenants, or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment.

1. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of ten (10) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

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2. This Declaration may be amended during the first ten (10) year period by an instrument signed by the majority of the Lot Owners present or by proxy.
3. Any amendment must be recorded with the Maricopa County Recorder's Office.

Section 4. Deeds.

1. Deeds of conveyance of all or any of the lots shall incorporate by reference all of the provisions contained in this document.
2. However, whether or not recited in the deeds of conveyance, these restrictions shall be binding on every Owner of every lot contained within the Subdivision.

This document will be subject to the laws and ordinances of the City of Scottsdale and the State of Arizona.

IN WITNESS WHEREOF, the undersigned, being the Association herein, has hereunto set its hand and seal this \_\_\_\_ day of \_\_\_\_\_ .

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Brenda Breit, President

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Sandra DeGutes, Secretary

Notarized by:

**BY-LAWS**  
**OF**  
**THE TRAILS AT SCOTTSDALE COMMUNITY ASSOCIATION**

**ARTICLE 1**

NAME AND LOCATION. The name of the corporation is The Trails at Scottsdale Community Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at P.O. Box 11635, Scottsdale, Arizona 85271 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**  
**DEFENITIONS**

Section 1. "Association" shall mean and refer to The Trails at Scottsdale Community Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions 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 map 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. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of County Recorder of Maricopa County, State of Arizona in Book \_\_\_\_\_ commencing at Page \_\_\_\_\_ Official Records on (date) \_\_\_\_\_.

Section 7. "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.

1. The regular annual meeting of the Members will be held in February on the second Tuesday of each year or as designated by the Board.
2. 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 Friday, Saturday, Sunday or legal holiday.

Section 2. Special Meeting.

1. 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 the votes of the Membership.
2. Each notification shall specify the place, day and hour of the meetings.

Section 3. Notification of General Meetings.

1. Written notification 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 notification at the beginning of each quarter to each Member's address last appearing on the books of the Association, *or* supplied by such Member to the Association for the purpose of notice.

Section 4. Proxies.

1. 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.
2. Every proxy shall be revocable and shall automatically cease upon conveyance by the number of his Lot.

ARTICLE IV  
SELECTION AND TERM OF OFFICE FOR DIRECTORS

Section 1. Number.

1. The affairs of this Association shall be managed by a Board of nine (9) Directors, who must be Members of the Association.

Section 2. Term of Office.

1. At each annual meeting the Members shall elect three Directors for a term of three years.

Section 3. Removal.

1. Any Director may be removed from the Board, with *or* without cause, by a majority vote of the Members of the Board. In the event of death, resignation or removal of a Director, his/her successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his/her predecessor.

Section 4. Compensation.

1. All Board Members shall be compensated monetarily for their work and involvement in Association activities.
2. The Secretary and Treasurer shall be compensated on a monthly basis. Their compensation shall reflect the highest tier of funding based on their duties and responsibilities.
3. The President shall be compensated on a quarterly basis.
4. The President's compensation shall reflect the middle tier of funding based on duties and responsibilities.
5. All remaining Board Members shall also be compensated on a quarterly basis.
6. Their compensation shall reflect the minimum tier of funding.
7. All funding is based on the financial strength of the H.O.A.
8. Amounts provided to the Board Members shall be reasonable and prudent.
9. They shall reflect the amount of time, effort and involvement required to carry out the duties of the position.
10. Funding is reviewable.
11. It may be raised, lowered or frozen.
12. The usual time to review the funding shall be at the time of the annual budget development.
13. All Board Member duties and responsibilities can be found in the H.O.A. Board Member position descriptions which are located in the CCR's.
14. These descriptions are included in the annual tax and audit report as well as the H.O.A. historical archives.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination.

1. Nomination for election to the Board of Directors can be made by the Board and general Membership prior to the annual meeting.
2. Nominations may also be made from the floor at the annual meeting. Nominations' can only be made by Members in good standing.

Section 2. Election.

1. Each Member in good standing can vote for any of the candidates that are up for election at that time.
2. Each Member shall receive a ballot with the vacancies listed prior to the annual meeting.
3. That ballot also provides for a write in nomination.
4. Ballots should be returned by mail 5 days prior to the annual meeting or may be brought in person to the annual meeting.
5. The candidates receiving the highest of votes, up to the number of the Board Members to be elected, shall be deemed elected.
6. If any Owner shall be in arrears in the payment of any amounts due under any of the provisions of any recorded Declaration of Restrictions, or shall be in default in the performance of or in breach of any of the terms of any such recorded Declaration of Restrictions, said Owner's right to

vote as a Member of the Association shall be suspended and shall remain suspended until all payments are brought current and all defaults and breaches remedied.

## ARTICLE VI MEETING OF DIRECTORS

### Section 1. Regular Meetings.

1. Regular meetings of the Board of Directors shall be held monthly, at such place and hour as may be fixed from time to time by resolution of the Board.
2. 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.
3. Meetings may be suspended for the summer months with a vote of the Board.

### Section 2. Special Meetings.

1. 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.

1. A majority of the number of Directors shall constitute a quorum for the transaction of business.
2. 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 4. Action Taken Without a Meeting.

1. 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.
2. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

## ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

1. adopt and publish rules and regulations governing the use of the common area and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
2. 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 By-Laws, the Articles of Incorporation, or *the* Declaration;
3. may 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
4. employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.



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Section 2. Duties. It shall be the duty of the Board of Directors to;

1. 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 Members who are entitled to vote;
2. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
3. as more fully provided in the Declaration, to:
  - a) fix the amount of the annual assessment against each Lot at the December Board meeting in advance of each annual assessment period;
  - b) written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.
  - c) place the lien against any property for which assessments are not paid within three hundred sixty five (365) days after due date or to bring an action at law against the Owner personally obligated to pay the same.
4. issue, or to cause an appropriate office 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; a transfer fee as determined by the Board shall be charged with all changes of Ownership.
5. procure and maintain adequate liability and hazard insurance on property owned by the Association;
6. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
7. cause the Common Area and planters within public streets within the subdivision described in the Declaration to be maintained, including but not limited to:
  - a) Chemical weed treatment as necessary or proper to maintain desert landscaping within Common Areas and planters within public streets within the Subdivision.
  - b) Watering as necessary or proper to maintain said desert landscaping.
  - c) Periodic raking as necessary or proper to maintain said desert landscaping.
  - d) Repair of any damage to perimeter wall as is located upon a part of The Common Area and enforcement of obligations of each Owner of a Lot wherein such perimeter wall is in part located to maintain such portion of wall as is located upon the lot owned by said Owner.
  - e) Maintenance of retention area of Tract E and collection facility therein free of debris or any other obstruction as necessary or proper in order that storm waters may be received and dissipated therein.

ARTICLE VIII  
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices.

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

Section 2. Election of Officers.

1. 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.

1. The officers of this Association shall be elected annually by the Board and each shall hold office for three (3) years unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments.

1. 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.

1. 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.
2. 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.

1. A vacancy in any office may be filled by appointment by the Board.
2. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices.

1. 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:

1. President
  - a. The *President* shall convene regularly scheduled Board meetings, shall preside or arrange for other Members of the executive committee to preside at each meeting in the following order: Vice-President, Secretary and Treasurer.
  - b. Oversee Board and other committee meetings
  - c. Serve as ex-officio Member of all committees

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- d. Call special meetings if necessary
  - e. Recommend all committee chairs and who will serve on committees
  - f. Assist secretary in preparing agenda for Board meetings
  - g. Work with the Board to recruit new Board Members
  - h. Act as the spokesperson for the organization
  - i. Periodically consult with Board Members on their roles and help them assess their performance
  - j. Works with other Chairs to establish annual goals, mission statements and budgets.
2. Vice President
- a. The *Vice President* shall chair committees on special subjects as designated by the President and/or Board
  - b. Carry out special assignments as delegated by the President
  - c. Understand the responsibilities of the President and be able to perform these duties in the President's absence
3. Secretary
- a. The *Secretary* shall be responsible for keeping records of Board actions, including recording of minutes at all Board meetings, sending out meeting announcements, distributing copies of minutes and the agenda to each Board Member, and assuring that corporate records are maintained.
  - b. Maintain all board records and ensure their accuracy and completeness
  - c. Review Board minutes
  - d. Assume responsibilities of the chair in absence of the President and Vice President
  - e. Provide notice of meetings of the Board and/or of a committee when such notice is required
  - f. Develop and maintain quarterly newsletters.
4. Treasurer
- a. Maintain knowledge of the organization and personal commitment to its goals and objectives
  - b. Understand financial accounting for nonprofit organizations
  - c. Manage and maintain all financial accounts and records for the organization
  - d. Seek approval from a minimum of three (3) other officers for any and all significant financial transactions outside of normal Board meetings
  - e. Work with the President and the other officers to ensure that appropriate financial reports are made available to the Board on a timely basis
  - f. Present the annual budget to the Board for approval
  - g. Review the annual audit and answer board Members' questions about the audit.

## ARTICLE IX COMMITTEES

The Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

**ARTICLE X  
BOOKS AND RECORDS**

1. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member.
2. The Declaration, the Articles of Incorporation and the By-Laws 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**

1. 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.
2. Any assessments which are not paid when due shall be delinquent.
3. If the assessment is not paid within one hundred eighty (180) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 18% percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose a lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment.
4. No Owner may waiver 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.

1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of Members present in person or by proxy.

Section 2.

1. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control

**MISCELLANEOUS**

The fiscal year of the Association shall begin on the first (1) day of January and end on the 31st day of December of every year.

IN WITNESS WHEREOF, we, being the Directors of The Trails at Scottsdale Community Association, have hereunto set our hands this \_\_\_\_\_day of\_\_\_\_\_

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Signature of Brenda Breit, President

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Sandra DeGutes, Secretary.

Notarized by: