

**BYLAWS  
OF  
SONORAN VISTA of GILBERT HOMEOWNERS' ASSOCIATION**

**ARTICLE I**

**NAME AND LOCATION**

The name of the corporation is Sonoran Vista of Gilbert Homeowners' Association hereinafter referred to as the "Association".

The principal office of the corporation shall be located in the County of Maricopa, State of Arizona, but meetings of members and directors may be held at such places within the State of Arizona, as may be designated by the Board of Directors.

**ARTICLE II**

**DEFINITIONS**

Section 1. "Articles of Incorporation" shall mean, unless otherwise noted, the duly recorded Articles of Incorporation of the Association as amended.

Section 2. "Association" shall mean and refer SONORAN VISTA of GILBERT HOMEOWNERS' ASSOCIATION, an Arizona nonprofit corporation, its successors and assigns.

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Section 3. "Board of Directors" or "Board" shall mean members of the Association duly elected to act on behalf of any and all members of the Association.

Section 4. "Common Area" and "Common Areas" shall mean all real property, easements, licenses and other real property interests owned by the Association, if any, for the common use and enjoyment of the owners, along with all improvements thereto, and for maintenance purposes only, any portion of a Lot designated National Area Open Space Easement (N.A.O.S.E.) or Drainage Easement (D.E.) on the final recorded plat(s), and any areas subject to the Association's joint maintenance agreements.

Section 5. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions, and all amendments thereto, applicable to the Properties, recorded in the office of the County Recorder of Maricopa County, Arizona, on \_\_\_\_\_, 1996, at Instrument No. \_\_\_\_\_.

Section 6. "Lot" shall mean and refer to a separately designated and legally described freehold estate consisting of any plot of land and the improvements thereon shown upon any recorded subdivision map of the Properties with the exception of the owned Common Area.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Articles of Incorporation.

Section 8. "Owner" shall mean and refer to the record owner, whether one or more persons or entities of equitable title in fee simple (or legal title if equitable title has merged) which is a part of the Properties. Owner shall not include a person or entity having an ownership interest merely as security for the performance of an obligation.

Section 9. "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. The term "Properties" does not include the exception parcel(s) appearing on the Final Plat for Sonoran Vista.

## ARTICLE III

### MEETING OF MEMBERS

Section 1. Annual Meeting. The first annual meeting of the Members shall be held on the \_\_\_\_\_ of \_\_\_\_\_, beginning with the year \_\_\_\_\_, and each subsequent regular annual meeting of the Members shall be held on the same day and the same month of each year thereafter, at the hour of 7:00 o'clock p.m. 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 Meeting. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or person authorized to call the meeting by mailing a copy of such notice, postage prepaid, at least 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 case of a special meeting, the purpose of the meeting. Notice of any meeting in which action authorized by Article V, Sections 4 and 5 of the Declaration is to be taken shall be as provided by Article V, Section 6 of the Declaration.

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

Section 5. Proxies. At all meetings of Members each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

#### ARTICLE IV

##### BOARD OF DIRECTORS SELECTION AND TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors consisting of an odd number of not less than three (3) nor more than nine (9) persons, and such other officers as the Board of Directors may select from time to time, including a President, a Vice President, a Secretary and a Treasurer. The same person may hold two (2) or more offices, except that the President may not, at the same time hold the office of the Vice President or Secretary.

Section 2. Term of Office. At the first annual meeting, the Members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years and one (1) director for a term of three (3) years; and at each annual meeting thereafter, the Members shall elect a director or directors, as the case may be, for a term of one (1) year to replace the outgoing director or directors, as the case may be.

Section 3. Vacancies During Term. If during a term a ~~directorship seat becomes vacant for any reason whatsoever, the~~ remaining directors shall appoint a new director to fill the vacancy for the remainder of the unexpired term.

## ARTICLE V

### NOMINATIONS AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election of the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The nominating committee shall be appointed by the Board of Directors prior to such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it, in its discretion, determines but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members when permitted.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such elections, the Members or their proxies may cast, in respect to such vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is required for the election of directors.

## 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 Meeting. 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.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present, at a duly held meeting at which a quorum is present, shall be regarded as the act of the board.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the 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 any 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 vesting in or delegated to this Association 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

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(e) To authorize the officers to enter into one (1) or more management agreements with third parties in order to facilitate efficient operation of the Properties. It shall be the primary purpose of such management agreements to provide for the administration, management, repair and maintenance of the Properties, and the receipt and disbursement of funds as may be authorized by the Board of Directors. The terms of said management agreement shall be as determined by the Board of Directors to be in the best interest of

the corporation, and shall be subject in all respects to the Articles of Incorporation, these Bylaws and the Declaration. Any agreement for professional management of the project or any other contract providing for services by Declarant shall provide for termination by either party without cause or payment of a termination fee, upon ninety (90) days or less written notice, and shall provide for as reasonable contract term of from one (1) to three (3) years and be renewable only by consent of the Association and the other party. Further, any such agreement shall provide for termination by either party for cause upon thirty (30) days written notice. In lieu of engaging a management company the Board of Directors may act as the management company.

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 (1/4th) of the Class A Members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and 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 and send written notice thereof to each Owner at least thirty (30) days in advance of each annual assessment period; and

2. Foreclose the lien against any property for ~~which assessments are not paid within twenty (20) days after due date~~ or to bring an action at law against the Owner personally obligated to pay the same;

(d) Issue, or to cause an appropriate officer to issue, upon demand, by any person, certificates 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 insurance and to procure adequate hazard insurance on property owned by the Association as the directors deem advisable;

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

(g) Cause the Yard Lot Area and Common Area, if any, to be maintained.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. 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 and each annual meeting of the members of the Board of Directors.

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

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Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President



or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The same person may hold two (2) or more offices, except that the President may not, at the same time, hold the office of Vice President or Secretary.

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

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

(b) 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;

(c) 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; and

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(d) Treasurer. Shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and

shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the Members.

## ARTICLE IX

### COMMITTEES

Section 1. The Board of Directors may appoint any committees as deemed appropriate in carrying out its purposes, such as:

(a) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Properties, and shall perform such other functions as the Board in its discretion determines;

(b) An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of the income and expenditures to be presented to the membership at its regular annual meeting as provided in Article XI, Section 8 (d). The Treasurer shall be an ex-officio member of the committee.

(c) An Architectural Control Committee consisting of five (5) persons, who need not be members, who shall serve for a period of one (1) year or until the appointment of his successor. This committee shall be governed by the provisions set forth in the Declaration. At least one (1) member of the Board of Directors shall be appointed to the Architectural Control Committee.

Section 2. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties and activities within its field of responsibility.

It shall dispose of such complaints as it deems appropriate, or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

## ARTICLE X

### BOOKS AND RECORDS

The books and 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, the Bylaws of the Association, other rules concerning the project and the books, records and financial statements of the Association shall be available for inspection, upon request, during normal business hours or under other reasonable circumstances at the principal office of the Association to any Member of the Association or lender, and to holders, insurers or guarantors of any first mortgage. Copies may be purchased at reasonable costs. Further, any holder, insurer or guarantor of a first mortgage shall be entitled, upon written request, to an audited financial statement for the preceding fiscal year, free of charge to the party so requesting. Any financial statement so requested shall be furnished within a reasonable time following such request.

## ARTICLE XI

### ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within twenty (20) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) 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 or any such action shall be added to the amount of such assessment. 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.

## ARTICLE XII

### AMENDMENTS

Section 1. These By-laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

Section 2. 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 Bylaws, the Declaration shall control.

## ARTICLE XIII

### SEAL

The Association shall have a seal in circular form, having within its circumference the words SONORAN VISTA of GILBERT HOMEOWNERS' ASSOCIATION.

## ARTICLE XIV

### FISCAL YEAR

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December, except that the first fiscal year shall begin on the date of incorporation.


ARTICLE XV

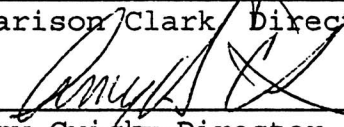
NOTICE TO FIRST MORTGAGEES

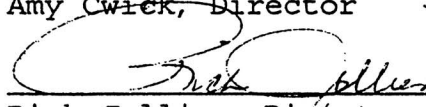
Written notice shall be given to the institutional holders of first mortgage liens on Lots in the Association for the following:

- (a) Abandonment or termination of the Association;  
and  
(b) Any material amendment to the Declarations, By-laws or Articles of Incorporation.

IN WITNESS WHEREOF, we being all the directors SONORAN VISTA of GILBERT HOMEOWNERS' ASSOCIATION have herein set our hands this \_\_\_\_\_ day of \_\_\_\_\_, 1996.



  
\_\_\_\_\_  
Larison Clark, Director

  
\_\_\_\_\_  
Amy Cwick, Director

  
\_\_\_\_\_  
Rick Jellies, Director

These Bylaws are approved:

Diamond Key Homes, Inc., Developer

By:   
Its: 

CERTIFICATION

I, the undersigned, do hereby certify:

THAT, I am the duly elected and acting Secretary of SONORAN VISTA of GILBERT HOMEOWNERS' ASSOCIATION, and,

THAT, the foregoing By-laws constitute the original By-laws of the Association, as duly adopted at a meeting of the Board of Directors hereof, held on the \_\_\_\_ day of \_\_\_\_\_, 1996.

  
\_\_\_\_\_, Secretary