

BYLAWS
OF
SUN VALLEY FARMS V ASSOCIATION

ARTICLE I

Recitals, Definitions

1. This corporation has been formed pursuant to the non-profit corporation laws of the State of Arizona.
2. The specific and primary purposes of this corporation are as set forth in Article IV of the Articles of Incorporation.
3. The corporation is hereby referred to as the "Association".
4. The term "development" shall mean all of the real property within the boundaries of that certain real estate development in Pinal County, Arizona and commonly known as Sun Valley Farms Unit V, including any amendments and additions thereto
5. The functions which the Association shall perform are those as provided for in the Declaration of Covenants, Conditions and Restrictions for Sun Valley Farms Unit V as recorded in Docket 1008, at page 40, Pinal County, Arizona Records Office, and any amendments thereto.
6. The term "parcel" shall mean a parcel of land as shown on the recorded Survey Map of Sun Valley Farms Unit V, and any divisions thereof, with each division being considered a separate parcel for purposes of these Bylaws.

7. The term "owner" shall mean the person or entity owning or holding the legal or equitable title to a parcel, which term shall include, but not be limited to, purchasers under a purchase contract who are entitled to membership in accordance with the Articles of Incorporation.

8. The term "Declaration of Restriction" or "restrictions" shall mean the Declaration of Covenants, Conditions and Restrictions recorded in the office of the Recorder of Pinal County, Arizona, as such Restrictions may from time to time be amended.

9. The term "member" as used herein, shall mean a member of this Association in good standing whose rights under these Bylaws are not suspended.

10. The term "Board" shall mean the duly elected and acting Board of Directors of the Association.

12. The terms "person" or "entity" shall mean and include any individual, corporation, partnership, association or other legal entity recognized by the laws of the State of Arizona.

ARTICLE II

Principal Offices

The principal offices of the Association shall be located in such place in Maricopa County or Pinal County, Arizona, as the Board of Directors shall from time to time designate by resolution.

ARTICLE III

MEMBERSHIP

1. Each parcel is entitled to membership in accordance with the Articles of Incorporation and shall be a member of the Association.

2. Each owner who is a member shall remain a member until he no longer is an owner.

3. The Board may provide for the issuance of certificates evidencing membership in the Association which shall be in such form as determined by the Board. The name and address of each member shall be entered into a membership register maintained by the Secretary.

4. If more than one person owns a parcel, all of said persons shall be deemed to be members, the votes for such parcel shall be exercised as they amount themselves unanimously determine.

5. The Secretary shall have the right to demand proof of parcel ownership prior to accepting a person or entity as a member.

ARTICLE IV

Membership Voting

1. The Association shall have one class of voting membership. Each parcel owner shall be entitled to one (1) vote for each full acre and a fractional vote for each portion of an acre owned.

2. Unless specifically provided for to the contrary in the Articles of Incorporation of the Association or these Bylaws, a majority vote of a quorum of the membership present, in person or by proxy, shall prevail.

3. Any member may attend and vote at meetings or cast his ballot as the case may be, in person or by proxy holder duly appointed by a written proxy signed by the member and filed with the Secretary. Any proxy shall be for a term not to exceed 11 months unless otherwise expressly provided therein, and may be revoked at any time by written notice delivered to the Secretary. A proxy shall be deemed revoked when the Secretary shall receive actual notice of the death or judicially declared incompetence of such a member upon termination of such member's status as an owner.

4. When more than one person holds an interest in any parcel or portion, all persons shall be the members. The vote for each such parcel may be exercised as the owners among themselves determine. The votes for such parcel must be cast as a unit. In the event the joint owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any owner or owners cast a vote representing a certain parcel, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other owners of the same parcel. In the event more than one owner votes on behalf of a particular parcel, none of said votes shall be counted and said votes shall be deemed void.

5. Any matter or issue requiring the vote of the members other than the election of directors may be submitted for vote by written ballot, without a meeting of the members. The determination to conduct a vote in this fashion shall be made by a majority of the Board or by members having one-third of the total votes of the membership signing a written request and delivering same to the Secretary. In the event of such a vote, the Board shall give written notice thereof specifying the time and place where the ballots are to be cast and the question or questions to be voted upon. Such notice shall then be mailed to the members at least 10 days prior to the date that the ballots should be received and counted and shall include the form of ballot to be used. A quorum shall be deemed to have been present for purposes of the vote if members having two-thirds of the total votes cast ballots in any such election. Upon tabulation of the ballots, the Board shall notify the members of the outcome of the election. If insufficient votes to constitute a quorum are cast, the Board shall notify the members.

ARTICLE V

Membership Meetings

1. After the initial meeting, there shall be an annual meeting of the members on the second Monday of _____ of each year commencing _____, 1995 at 7:00 p.m., or such other date or time as voted upon by the membership. The meeting of the members shall be at the offices of the Association, at the development, or at such other reasonable place and time within Maricopa County or Pinal County and not more than thirty (30)

days before or after such date, as may be designated by notice of the Board of the meeting.

2. Special meetings of the members may be called at any time to consider any reasonable business of the Association. Said meetings shall be called by notice to the membership signed by a majority of the Board or by members having one-quarter (1/4) of the total votes of the membership, and mailed to the members not less than twenty (20) days or not more than sixty (60) days prior to the date fixed for said meeting.

ARTICLE VI

Board of Directors

1. The corporate powers of the Association are vested in and shall be exercised by the Board consisting of not less than five (5) or more than ten (10) owners as may be determined from time to time by a vote of the membership. If an owner is a partnership or corporation, the partners or officers of the corporation are eligible for election to the Board.

2. The initial directors as set forth in the Articles of Incorporation shall hold office until the first meeting of the membership to be held pursuant to Article V (1).

2. The initial Board of Directors shall select a Nominating Committee consisting of at least two (2) members, which members may also be Board members. The purpose of said Nominating Committee shall be to name persons to fill vacancies on the Board caused by the expiration of a Board members's term. The Nominating Committee shall prepare a slate of eligible persons, which slate shall be presented to the membership which shall vote

for the appropriate number of Directors necessary to fill the vacancies on the Board. Nothing herein shall preclude nominations from the floor. The Board of Directors shall set the term of office and fill all vacancies which may arise on the Nominating Committee.

4. At each annual meeting of the members, the members shall elect the Board for the forthcoming year. Each member may cumulate his votes and give one or more candidates for Director a number of votes equal to the number which such member has hereunder multiplied by the number of Directors to be elected. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be elected.

5. Directors shall serve a term of one (1) year or until their respective successors are elected, or until their death, resignation or removal, whichever is the earlier. Vacancies on the Board shall be filled by a majority vote of the remaining Directors though less than a quorum, and each Director so elected shall hold office until his successor is elected by the members.

6. The membership has the power to remove the entire Board or an individual member of the Board at any time provided, however, that an individual Director shall not be removed during his term if the number of votes cast against his removal exceed twenty percent (20%) of the total number of votes of the ownership.

ARTICLE VII

Board Meetings

1. A regular meeting of the Board shall be held each year following the annual meeting of the membership or such other date as set for the membership meeting.

2. Special meetings of the Board shall be held when called by any officer of the Association, or by any two (2) Directors, after not less than five (5) days prior written notice, unless such notice is waived in writing by all of the Directors.

3. The Board may act without a meeting if all of the Board shall individually or collectively consent in writing to such action. Such consent shall be filed with the minutes of the Board.

ARTICLE VIII

Duties and Powers of the Board

1. To exercise all power vested in the Board under the Articles of Incorporation, these Bylaws, the Restrictions, and under the laws of the State of Arizona.

2. To appoint and remove all officers of the Association as it sees fit.

3. To appoint such agents and employ such employees, including attorneys and accountants, as it sees fit to assist in the operations of the Association, and to fix their duties and establish their compensation.

4. Subject to the provisions of the Restrictions, to adopt and establish rules and regulations governing the use of the Common Area, and to take such steps as it deems necessary for the

enforcement of such rules and regulations.

5. To enforce all applicable provisions of the Restrictions, these Bylaws and all other regulations relating to the control, management and use of the Association property.

6. Contract and pay premiums for casualty, liability and other insurance and bonds (including indemnity bonds) which may be required from time to time by the Association.

7. Contract for and pay for maintenance, utilities, materials, supplies, labor and services that may be required from time to time in relation to Association property.

8. Pay all taxes, special assessments and other assessments and charges which are or would become a lien on Association property.

9. To contract for and pay for construction or reconstruction of Association owned or managed property damaged or destroyed.

10. To provide and maintain the common Area.

11. If and when the Board deems it appropriate, to delegate its duties and powers hereunder to the officers of the Association.

12. To establish and thereafter levy assessments on the members of the Association and to collect same all in accordance with the Restrictions; provided no annual assessment shall exceed that reasonably necessary as determined by the Board to meet the needs of the Association in accordance with the Restrictions. The Board shall also have the power to collect reasonable use charges for architectural plan review.

13. To perform all acts required of it under the Restrictions including, but not limited to, the enforcement of collection of the assessments.

14. To maintain a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles, and at no greater than annual intervals cause to be prepared a financial statement, a copy of which shall be mailed to each member within thirty days after completion.

15. To appoint a Nominating Committee for the nomination of persons to be elected to the Board, and to prescribe rules under which said Nominating Committee is to act.

16. To appoint such other committees as it deems necessary from time to time in connection with the affairs of the Association.

ARTICLE IX

Officers

1. The officers of the Association shall be members of the Association and shall consist of a President, Vice President, Secretary and Treasurer. If a member is a partnership, corporation, or other legal entity under Arizona law, then the member's employees shall qualify to be officers. The Association may also have, at the discretion of the Board, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of paragraph 3 following. One person may hold two or more offices, except that the offices of President and Secretary shall not be

held by the same person.

2. The officers of the Association, except such officers as may be appointed in accordance with the provisions of paragraphs 3 and 5 following, shall be chosen annually by the Board and each shall hold his office until he shall resign or be removed or otherwise disqualified to serve, or his successor be elected and qualified.

3. The Board may appoint, and may empower the President to appoint, 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 are provided for in these Bylaws or as the Board may from time to time determine.

4. Any officer may be removed, either with or without cause, by the Board or by any officer upon whom such power of removal may be conferred by the Board; provided, however, that no such officer shall remove an officer chosen by the Board. Any officer may resign at any time by giving written notice to the Board or to the President or to the Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later times specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

6. The President shall be elected by the Board from among the Directors. He/she shall be the chief executive officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the affairs and officers of the Association. He/she shall preside at all meetings of management usually vested in the office of President of a corporation, together with such other powers and duties as may be prescribed by the Board or these Bylaws.

7. The Vice President shall be elected by the Board from among the Directors. In the absence of the President, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon the President. He/she shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or these Bylaws.

8. The Secretary need not be a Director, but shall be elected by the Board of Directors. He/she shall keep or cause to be kept, at the Association's principal office or such other place as the Board may order, a book of minutes of all meetings of Directors and members, with the time and place of holding same, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, the number of members present in person or by proxy at members' meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, appropriate current records showing the members of the Association, together with their addresses. He/she shall give, or cause to be given, notice

of all meetings of the Board required by the Bylaws or by law to be given, and he/she shall keep the seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

9. The Treasurer need not be a Director, but shall be elected by the Board of Directors. He/she shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts and disbursements. The books of account shall at all reasonable times be open to inspection by any Director or member. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. He/she shall disburse the funds of the Association as may be ordered by the Board, shall render to the President and Directors, whenever they request it, an accounting of all of his/her transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

ARTICLE X

Miscellaneous

1. All books, records and papers of the Association shall at all times during reasonable business hours be subject to the inspection of any member at the offices of the Association.

2. The Board may, from time to time, employ the services of a manager to manage the affairs of the Association, and to the

extent not inconsistent with the laws of the State of Arizona, and upon such conditions as are otherwise deemed advisable by the Board, the Board may delegate to the manager any of its powers under these Bylaws and the Restrictions.

3. These Bylaws may only be amended or repealed, and new Bylaws adopted by the members by two-thirds (2/3)vote of the total votes cast by the membership.

4. Any notice or other document permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered forty-eight (48) hours after a copy of same has been deposited in the United States Mail, postage prepaid, to the last known address of the addressee.

5. Except for those matters which cannot be eliminated or limited pursuant to the Arizona Statutes, a Director shall not be liable to the corporation or its members for monetary damages for breach of fiduciary duty as a Director. The corporation shall indemnify any person who incurs expenses by reason of the fact he or she is or was an officer, director, employee, or agent of the corporation. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by law and shall be effective whether a legal action is brought or threatened by or against the corporation.

DATED this 3 day of May _____, 1995.

Nedra Quick
Secretary, Nedra Quick