

**BYLAWS  
OF  
SADDLE VIEW COMMUNITY ASSOCIATION**

**ARTICLE 1.**

**GENERAL PROVISIONS**

**1.1 Principal Office.** The principal office of this corporation shall be located at the place designated in the Articles of Incorporation or such other place as the Association may designate from time to time in accordance with the Arizona statutes governing nonprofit corporations, but meetings of Members and directors may be held at such other place within the State of Arizona as may be designated by the Board of Directors.

**1.2 Defined Terms.** Unless specifically defined herein, capitalized terms used in these Bylaws without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions, Restrictions and Easements for Saddle View, as such Declaration relates to the Record of Survey of Saddle View, recorded as Instrument Number 2016-0042561 on August 26, 2016, Records of Yavapai County, Arizona.

**1.2.1** "Period of Declarant Control" shall mean and refer to the time period referred to in Section 5.5.1(B) of the Declaration.

**1.3 Conflicting Provisions.** In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**1.4 Corporate Seal.** The Association may have a seal in a form approved by the Board of Directors.

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

**1.6. Indemnification.** To the extent it has the power to do so under the Arizona Nonprofit Corporation Act, A.R.S. §10-3101, et seq., the Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Association, by reason of the fact that he is or was a member, director, officer, employee or agent of the Association or is or was serving at the request of the Association as a member, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, and against judgments, monetary penalties and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted, or failed to act, in good faith and in a manner he reasonably believed to be in or not opposed to the



best interest of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Indemnification of any such person shall be made in accordance with the procedures set forth in the Arizona-Nonprofit Corporation Act.

## ARTICLE 2.

### MEMBERSHIP; MEETINGS OF MEMBERS

**2.1 Membership.** The Association shall have two classes of membership, Class A and Class B, as more fully set forth in the Declaration. The provisions of the Declaration pertaining to membership are incorporated by this reference.

**2.2 Annual Meeting.** An annual meeting of the Members of the Association shall be held at least once every twelve (12) months at such time and place as is determined by the Board of Directors.

**2.3 Special Meetings.** Special meetings of the Members may be called at any time by the President, by a majority of the Board of Directors, or upon written request signed by Members having at least one-fourth (1/4) of the total authorized votes in the Association.

**2.4 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 hand delivering or mailing a copy of each notice, postage prepaid, at least ten (10) days but no 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, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting, including the general nature of any proposed amendment to the Declaration, Articles, changes in Assessments that require approval of the Members and any proposal to remove a director or an officer of the Association. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place of the meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Association may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each member entitled to vote at the meeting. By attending a meeting, a Member waives any right he may have had to object to the meeting on the basis that the proper notice of the meeting was not given in accordance with these Bylaws or the statutes of the State of Arizona. The failure of any Member to receive actual notice of a meeting does not affect the validity of any action taken at that meeting.

**2.5 Quorum.** Except as otherwise provided in the Articles, the Declaration or these Bylaws, the presence in person or by proxy of Members entitled to cast one-tenth (1/10th) of the total authorized votes in the Association shall constitute a quorum at all meetings of the Members. If a quorum shall not be present at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.



**2.6 Conduct of Meetings.** The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

**2.7 Voting.** Members' voting rights shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated by this reference.

**2.8 Member Action Without a Meeting.** Except as provided by law, any action required or permitted to be taken that requires Member approval may be taken without a meeting, by written consent, as evidenced by one or more written consents describing the action taken, signed by Members representing a majority of the voting power of the Membership, as defined by law (or such greater percentage as may be required hereunder or in the Articles or Declaration for the action taken hereunder), and filed with the minutes or corporate records. Action taken by written consent is effective when the last Member (of the number required for the action) signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be described as such in any document.

**2.9 Suspension of Voting Rights.** In the event any Member is in arrears in the payment of any Assessment, monetary penalties or other fees and charges due under the terms of the Project Documents for a period of thirty (30) days, the Member's right to vote as a Member of the Association shall be automatically suspended and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current.

### ARTICLE 3.

#### BOARD OF DIRECTORS

**3.1 Number.** Except as otherwise provided herein, the affairs of this Association shall be initially managed by a Board of Directors consisting of at least one (1) director. During the Period of Declarant Control, the Declarant shall have the sole right to appoint and remove additional directors, who need not be Members of the Association, and who shall thereafter serve until the next annual meeting of the Association following the termination of Declarant control, when their successors are elected and qualified. Upon the termination of the Period of Declarant Control, at the next annual meeting of the Association, the Members shall elect the Board of Directors, consisting of at least three (3) directors, all of whom must be Members of the Association. The Declarant may voluntarily surrender his right to appoint and remove the members of the Board of Directors before termination of the Period of Declarant Control, and in that event the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or the Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective. The Board of Directors may increase the number of directors on the Board of Directors but, after the termination of the Period of Declarant Control, the number of directors must always be an odd number and shall not exceed seven (7) directors.

**3.2 Term of Office.** During the Period of Declarant Control, all directors shall be appointed by the Declarant and they shall hold office until the first annual meeting following the termination of Declarant control. At the first annual or special meeting after termination of the Period of Declarant control, 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. At each annual meeting thereafter, the Members shall elect directors to replace those directors whose terms have expired and all such directors shall be elected for a term of two (2) years. If the Board of Directors increases the number of directors, the newly appointed directors shall serve until the first annual meeting after such increase, at which time the terms of the new directorships shall be designated by the Members.

**3.3. Removal.** Except with respect to members of the Board of Directors appointed by the Declarant, at any annual or special meeting of the Members duly called, any one or more of the members of the Board of Directors may be removed from the Board of Directors with or without cause by Members having more than fifty percent (50%) of the votes entitled to be cast by the Members present in person or by absentee ballot at the meeting, and a successor may then and there be elected to fill the vacancy thereby created.

**3.4. Compensation.** No director shall receive compensation for any service he may render to the Association which is within his duties as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties. A director may receive compensation for services rendered to the Association which are outside his duties as a director if the payment of such compensation is approved by all of the other directors.

**3.5. Action Taken Without a Meeting.** The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written consent of all the directors. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

**3.6. Vacancies.** Except with respect to members appointed by the Declarant and for vacancies on the Board of Directors caused by the removal of a director in accordance with the provisions of Section 3.3 of these Bylaws, any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum, or by a sole remaining director. Any director so chosen shall serve the unexpired portion of the prior director's term. Any newly created directorship shall be deemed a vacancy. Any person elected to fill such vacancy shall serve until the next annual meeting of the Members. When one (1) or more directors resigns from the Board of Directors, effective at a future time, a majority of the directors then in office, including those who have so resigned, may fill such vacancy, the vote on the vacancy to take effect when such resignation becomes effective. If by reason of death, resignation or otherwise, the Association has no directors in office, any officer or Member may call a special meeting of the Members for the purpose of electing the Board of Directors.

**3.7. Meetings.**

**3.7.1** Meetings of the Board of Directors, regular or special, shall be held at least annually and may be held by means of conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation at such meeting shall constitute presence in person at the meeting.

**3.7.2** Until termination of the Period of Declarant Control, regular meetings of the Board of Directors may be held with or without notice at such time and place as is



determined from time to time by the Board of Directors. After termination of the Period of Declarant Control, notice to Members of meetings of the Board of Directors shall be given at least forty-eight (48) hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board of Directors. Any notice of a Board of Directors meeting shall state the time and place of the meeting. An affidavit of notice by an officer of the Association is prima facie evidence that notice was given as prescribed by this Section. The failure of any Member to receive actual notice of a meeting of the Board of Directors does not affect the validity of any action taken at that meeting.

**3.7.3** Special meetings of the Board of Directors may be called by the President on three (3) business days notice to each director, given in writing, by hand delivery, mail or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors. In addition, after termination of the Period of Declarant Control, notice of special meetings of the Board of Directors shall be given to Members as set forth in Section 3.7.2., except that notice to Members of meetings of the Board of Directors is not required if emergency circumstances require action by the Board of Directors before notice can be given.

**3.7.4** Attendance of a director at a meeting shall constitute a waiver of notice of such meeting except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

**3.8. Quorum.** A majority of the 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 of Directors.

**3.9. Powers and Duties.** The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by the Project Documents required to be exercised or done by the Members. In addition to the duties imposed by these Bylaws or by any resolution of the Members that may hereafter be adopted, the Board of Directors shall have the following powers and duties:

**3.9.1** Open bank accounts on behalf of the Association and designate the signatories thereon;

**3.9.2** Make, or contract for the making, of repairs, additions to, improvements to or alterations of the Areas of Association Responsibility, in accordance with the Project Documents, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

**3.9.3** In the exercise of its discretion, enforce by legal means the provisions of the Project Documents;

**3.9.4** Designate, hire and dismiss the personnel necessary for the maintenance and repair of the roadway easements and provide services for the Members, and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment,



supplies and material to be used by such personnel in the performance of their duties;

**3.9.5** Provide for the repair and maintenance of all of the roadway easements and borrow money on behalf of the Association when required in connection with any one (1) instance relating to the repair and maintenance of the roadway easements; provided, however, the consent of Members having at least two-thirds (2/3) of the total votes in the Association shall be obtained either in writing or at a meeting called and held for such purpose in accordance with the provisions of these Bylaws in order for the Association to borrow in excess of \$5,000.00;

**3.9.6** Prepare and adopt an annual budget for the Association prior to the commencement of each fiscal year;

**3.9.7** Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any Assessment or other amounts due under the terms of the Project Documents for a period of fifteen days and for a period not to exceed sixty (60) days for any infraction of the Project Documents;

**3.9.8** Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the Project Documents;

**3.9.9** Except with respect to members of the Board of Directors appointed by the Declarant, 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;

**3.9.10** Employ, hire and dismiss such employees as they deem necessary and to prescribe their duties and their compensation;

**3.9.11** 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 any Member entitled to vote;

**3.9.12** Supervise all officers, agents and employees of the Association and see that their duties are properly performed;

**3.9.13** Levy, collect and enforce the payment of assessments in accordance with the provisions of the Declaration;

**3.9.14** Issue, or cause an appropriate officer to issue': (i) upon demand to any interested person a certificate setting forth whether or not any Assessment has been paid; and (ii) on written request, furnish to a lien holder. Member or person designated by a Member,, after receipt of a written request therefore, a recordable statement setting forth the amount of any unpaid Assessment against the Parcel. A reasonable charge may be made by the Board of Directors for the issuance of such certificates or statements. If a certificate or statement states an Assessment has been paid, such certificate or statement shall be binding on the Association.

**3.9.15** Procure and maintain adequate liability, errors and omissions, and other



insurance as required by the Declaration;

**3.9.16** Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

**3.10. Managing Agent.** The Board of Directors may employ for the Association and the Project a caretaker and/or management agent ("Managing Agent") at a compensation established by the Board of Directors. The Managing Agent shall perform such duties and services as the Board of Directors shall authorize, including, but not limited to, all of the duties listed in the Project Documents except for such duties and services that under the Project Documents may not be delegated to the Managing Agent. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors or the officers of the Association by the Project Documents other than the power: (i) to adopt the annual budget, any amendment thereto or to assess any Common Expenses; (ii) to adopt, repeal or amend Rules; (iii) to designate signatories on Association bank accounts; (iv) to borrow money on behalf of the Association; or (v) to acquire real property and mortgage Parcels. Any contract with the Managing Agent must provide that it may be terminated with or without cause and without payment of any penalty or termination fee on no more than ninety (90) days written notice. The term of any such contract may not exceed three (3) years.

#### ARTICLE 4.

##### OFFICERS AND THEIR DUTIES

**4.1. Enumeration of Officers.** The principal officers of the Association shall be the President, Vice-President, Secretary, and Treasurer. During the Period of Declarant Control, all officers of the Association shall be appointed and removed by the Declarant. After the termination of the Period of Declarant Control, all officers shall be elected by the Board of Directors. The President must be a Member of the Board of Directors. Any other officers may, but need not, be Members of the Board of Directors.

**4.2 Election of Officers.** The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

**4.3 Term.** After the termination of the Period of Declarant Control, the officers of the Association shall be elected annually by the Board of Directors in the manner set forth in Section 3.2 herein, and each shall hold office for two (2) years unless he shall sooner resign, or shall be removed, or is otherwise disqualified to serve.

**4.4 Special Appointments.** The Board of Directors 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 of Directors may, from time to time, determine.

**4.5. Resignation and Removal.** Except for officers appointed by the Declarant, any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, 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



resignations shall not be necessary to make it effective.

**4.6. Vacancies.** Except for officers appointed by the Declarant, a vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

**4.7 Multiple Offices.** Any two (2) or more offices may be held simultaneously by the same person.

**4.8 Powers and Duties.** To the extent such powers and duties are not assigned or delegated to a Managing Agent pursuant to Section 3.10. of these Bylaws, the powers and duties of the officers shall be as follows:

**4.8.1. President.** The President shall be the chief executive officer of the Association; shall preside at all meetings of the Board of Directors or the Members; shall see that orders and resolutions of the Board of Directors are carried into effect; and have general and active management of the business of the Association.

**4.8.2 Vice-President.** The Vice-President, if any, 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 of Directors.

**4.8.3 Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors 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 of Directors 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 of Directors.

**4.8.4 Treasurer.** The 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; keep proper books of account; 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; and, in general, perform all the duties incident to the office of Treasurer. If a Vice President has not been elected, then the Treasurer shall also 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 of Directors.

**4.9. Compensation.** Compensation of officers shall be subject to the same limitations as compensation of directors.

## ARTICLE 5.

### AMENDMENT

**5.1 By Declarant.** Prior to termination of the Period of Declarant Control, the Declarant may unilaterally amend these Bylaws for any purpose whatsoever, without any other consent or approval. Thereafter, the Declarant may unilaterally amend these Bylaws at any time

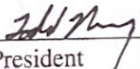


and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule or regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots or Parcels; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Lots or Parcels; or (iv) to correct any error or ambiguity or to conform to the Declaration. Amendments by the Declarant may be made without a meeting and without notice, as no other Members may vote thereon.

**5.2 By Members Generally.** Except as provided above, these Bylaws may be amended only by the affirmative vote or written consent, or any combination hereof, of Members representing 51% of the total Class A votes in the Association and the consent of the Declarant so long as it holds a Class A or Class B membership. In addition, the approval requirements set forth in the Declaration shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

**5.3 Validity of Amendments.** No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

IN WITNESS WHEREOF, these Bylaws of Saddle View Community Association are adopted as set forth above.

  
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President  
Saddle View Community Association



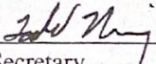
### SECRETARY'S CERTIFICATE

The undersigned does hereby certify that:

He/She is the duly appointed or elected Secretary of the Saddle View Community Association, an Arizona nonprofit corporation; and

The foregoing Bylaws constitute the Bylaws of the Saddle View Community Association as adopted by a majority of the directors present at a meeting duly called and held on February 2, 2017.

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand as of this 2nd day of February, 2017.

  
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Secretary  
Saddle View Community Association