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**BYLAWS
OF
SONORAN DESERT WILLOW ESTATES HOMEOWNERS ASSOCIATION**

Pursuant to the provisions of Arizona Revised Statutes, A.R.S. §10-3101, et seq. and A.R.S. §33-1801, et seq., the above Arizona nonprofit corporation hereby adopts the following Bylaws:

**ARTICLE I
NAME AND LOCATION**

Section 1.1 The name of the corporation is Sonoran Desert Willow Estates Homeowners Association, hereinafter referred to as the "Association". The principal office of the Association shall be located at 5151 East Broadway, Suite 1100, Tucson, Arizona 85711-3606, but meetings of Members and Directors may be held at such places within the State of Arizona, County of Pima, as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

Any capitalized terms not defined herein shall have the meanings assigned to them by the Declaration.

Section 2.1 "Association" shall mean and refer to Sonoran Desert Willow Estates Homeowners Association, an Arizona nonprofit corporation, its successors and assigns.

Section 2.2 "Declarant" shall mean and refer to Title Security Agency of Arizona, an Arizona corporation, as Trustee under Trust No. 759 and not otherwise, and its successors and assigns so designated in writing that acquire more than one (1) undeveloped Lot from the Declarant for the purpose of development.

Section 2.3 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, Restrictions and Easements for Desert Willow Estates applicable to the Properties and recorded in the Office of the Pima County Recorder, State of Arizona, as it may be amended from time to time.

Section 2.4 "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.

Section 2.5 "Properties" shall mean and refer to that certain real property described in the Declaration.

**ARTICLE III
MEETING OF MEMBERS**

Section 3.1 Annual Meetings. An annual meeting of the Members shall be held at least once every twelve (12) months at such time and place as is determined by the Board.

Section 3.2 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, by Declarant, or upon written request of the Members who are entitled to vote one-tenth (1/10) of all of the votes entitled to be cast by the Membership.

Section 3.3 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, and no more than thirty (30) days, before such meeting to each Member entitled to vote thereafter, 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 such purposes as are required to be set forth and disclosed pursuant to A.R.S. §33-1804.

Section 3.4 Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the votes of each class of membership shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration, or 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; provided, however, that if the adjournment is for more than thirty (30) days, notice shall be given to each Member entitled to vote at the meeting.

Section 3.5 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. A Member may revoke a proxy by attending a meeting and voting in person or by delivering to the secretary of the Association a signed revocation, or a subsequent appointment form. A proxy expires eleven (11) months after the date of its execution, unless it specifies a different term or states that it is irrevocable and coupled with an interest as set forth in A.R.S. §10-3724(D).

Section 3.6 Member Action Without a Meeting. Except as provided by law, any action required or permitted to be taken and 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 a Members representing 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.

Except as provided by law, any vote of the Members may also be taken without a meeting, by written ballot, if (1) the Association delivers a written ballot to every member entitled to vote on the matter, giving the Member an opportunity to vote for or against the proposed action, and setting forth (a) the proposed action, (b) the number of responses needed to meet quorum requirements, (c) the percentage of approvals needed to approve the matter, and (d) the time by which a ballot must be delivered in order to be counted, which shall be not fewer than three days after the corporation delivered the ballot to the Members; (2) the number of votes

cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action; and (3) the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

This Article shall be construed consistent with state law, as it may from time to time change.

ARTICLE IV BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 4.1 Number. The affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws. During the pendency of the Class B Membership, the Board shall consist of three (3) directors who shall be Members or individuals designated by a corporate, partnership, or other non-individual Member, and a majority of the directors may be appointed by the Declarant during the pendency of the Class B Membership (without in any way limiting the right of the Declarant to elect the remaining directors). Commencing with the first annual meeting of the Members when there is no longer a Class B Membership, the Board shall consist of, and the voting Members shall elect, five (5) directors, each of whom must be a Member or an individual designated by a corporate, partnership, or other non-individual Member.

Section 4.2 Term of Office. The directors designated in the Articles shall hold office until the first annual election of directors, which shall take place at the first annual meeting of the Members, or until their successors are elected and qualified. The initial terms for the directors designated in the Articles shall be a majority of directors, as designated by the Board, for one (1) year terms and the remaining directors for two (2) year terms, thus establishing a staggered Board. In succeeding years, all directors shall be elected for a two (2) year term. The Board may appoint various committees at its discretion. The Board may also appoint or engage a manager to be responsible for the day-to-day operation of the Association and the Common Areas. The Board shall determine the compensation to be paid to the manager which may include transfer fees from certain property transactions.

Section 4.3 Removal. Any director may be removed from the Board, with or without cause, by Members having two-thirds (2/3) of the votes entitled to be cast by the Members present in person or by proxy at a meeting of the Members. Any director so removed by the Members shall be replaced by a director elected by the Members at the same meeting. In the event of death, or resignation of a director, the successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of a predecessor. Directors appointed by Declarant under any right of appointment may only be removed by Declarant.

Section 4.4 Compensation. No director shall receive compensation for any service rendered to the Association that is within such director's duties as a director. However, any director may be reimbursed for actual expenses incurred by the director in the performance of such director's duties.

**ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS**

Section 5.1 Nomination. Nomination for election to 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 each annual meeting of the Members, to serve from the close of 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 shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among individual Members or individuals designated by corporate, partnership, and other non-individual Members.

Section 5.2 Election. Election to the Board of Directors shall be by secret written ballot. In any such election, every Owner entitled to vote shall be entitled to cast the number of votes attributable to such Owner multiplied by the number of directors to be elected. Each Owner shall have the right to cumulate the Owner's votes for one (1) candidate or to divide such votes among any number of the candidates, provided the requirements of A.R.S. § 10-3725 are met.

Section 5.3 Savings Clause. Nothing in this Article shall limit Declarant's right to appoint directors nor require a meeting of Members when state law may permit ballots by mail or Member action without a meeting.

**ARTICLE VI
MEETINGS OF DIRECTORS**

Section 6.1 Regular meetings of the Board of Directors shall be held at least once per calendar year, at such place and hour as may be fixed from time to time by resolution of the Board, and may be held telephonically or by other means of communication whereby all participants may hear each other. All meetings of the Board shall be open to all Members (although Members who are not directors shall not be permitted to participate in any discussion of the Board at such meeting unless expressly authorized to do so by a majority of a quorum of the Board); provided, however, that any meeting or portion thereof may be closed, to the extent permitted by law, if limited to consideration of one or more of the following:

- A. Employment or personnel matters for employees of the Board or the Association;
- B. Legal advice from an attorney for the Board or the Association;
- C. Pending or contemplated litigation; or
- D. Pending or contemplated matters relating to enforcement of the Association's Rules, or the Declaration or these Bylaws.

