

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

**POST DECLARANT CONTROL
(Declarant no longer having any controlling interest)**

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 wholly revised Bylaws, superseding all previous bylaws of Sonoran Desert Willow Estates Homeowners Association:

**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 the address of a community management company under contract to the Association, 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 ended from time to time.

Section 2.4 "Member and Member in Good Standing" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration. Member in Good Standing means a member who is not ninety (90) or more days past due in Association assessments.

Section 2.5 "Properties or Property" 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 represented by ballots by mail, received prior to the meeting, ten percent (10%) of the votes 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. Pursuant to A.R.S. §33-1812, votes allocated to a member may not be cast pursuant to a proxy.

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.

Section 4.1.A Declarant and Class B. In post Declarant control no class B membership, as defined in the "Declaration of Covenants, Conditions, and Restrictions exists. No Declarant control exists at the adoption of these revised bylaws.

Section 4.1.B The Board. The Board shall consist of, and the voting Members shall elect, five (5) directors, each of whom must be a Member.

Section 4.2 Term of Office. The directors designated in the Articles shall be elected for staggered 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, or similarly charged fees for orchestrating an orderly transfer of properties.

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 at a meeting or by mailed written ballot presented at the 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.

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, but may be compensated for performed services outside the duties of a director, but the performed services and compensation shall be authorized by a majority of the Board, with the director being authorized not voting. 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 seventy-five (75) days prior to each annual meeting of the Members, to serve until the close of such annual meeting and such appointment shall be announced to the membership by prepaid postage mail at the time of appointment. The Nominating Committee shall, solicit candidates, validate the eligibility of those seeking nomination to insure they are Members in Good Standing, and 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.

Section 5.2 Election. Election to the Board of Directors shall be by secret written ballot. In any such election, only Members in Good standing are entitled to vote. Every Owner entitled to vote, shall be entitled to cast the number of votes equal to the number of Lots owned and attributable to such Member. Cumulative voting is not permitted. Members voting may cast only one vote for any one candidate appearing on the ballot or nominated from the floor, per ballot.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 6.1 Regular Meetings. 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 maybe closed, to the extent permitted by law, if limited to consideration of one or more of the following:

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

The Board of Directors may not take an action by written consent unless the matter could be acted upon in a closed meeting as provided above.

Section 6.2 Special Meetings. 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 written notice to each director. Except where the law may otherwise permit in the case of emergency or other circumstances, a special meeting must also comply with A.R.S. §33-1804.

Section 6.3 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.

Section 6.4 Notice after Declarant Control. After termination of the Class B Membership, notice of meetings of the directors shall comply with such additional requirements as may exist at law, including A.R.S. §33-1804. Class B Membership and Declarant Control have terminated.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 Powers. In addition to all other powers, the Board of Directors shall have 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, pursuant to the Member in Good Standing definition only Members in Good Standing may cast votes on any matter before the Members,

C. suspend the right of a Member to use the Common Area (other than roads) 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 (as provided in Section 10.1), for a period not to exceed 'sixty (60) days for infraction of published rules and regulations;

D. 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 these Bylaws, the Articles of Incorporation, or the Declaration:

F. 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;

G. employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

H. grant easements over, across or under the Common Areas for public utilities, ingress, egress and such other purposes as may be deemed advisable by the Board.

Section 7.2 Duties. It shall be the duty of the Board of Directors to:

- A. as more fully provided in the Declaration:
 - 1. fix the amount of the annual and other assessments against' each Lot;
 - 2. send written notice of each assessment to every Owner subject thereto; and
 - 3. foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same, provided same is cost effective in the sole discretion of the Board of Directors;
- B. issue, or to cause an appropriate officer 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;
- C. procure and maintain liability and hazard insurance on property owned by the Association in the amounts required by the Declaration or otherwise determined by the Board of Directors in their sole discretion;
- D. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- E. cause the Common Area, and any other areas for which the Association is responsible, to be maintained; and
- F. send the information required by Article XIV below to a prospective purchaser of a Lot upon receipt of the required notice of pending sale.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 8.1 Enumeration of Offices. 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 8.2 Election of Officers. All officers of the Association shall be appointed and removed by the Board.

Section 8.3 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless such officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 8.4 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 8.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by 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 8.6 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 replaced.

Section 8.7 Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 8.4 of this Article.

Section 8.8 Duties. The duties of the officers are as follows:

A. **PRESIDENT**. The 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, promissory notes, deeds and other written instruments and shall co-sign all checks, unless the necessity to sign checks has been superseded by a previous resolution of the board – capital expenditures are to be excluded from any resolution, thus requiring the president to execute checks for capital expenditures.

B. **VICE-PRESIDENT**. The vice-president shall act in the place and stead of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

C. **SECRETARY**. The 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.

D. **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; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual review 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. The Treasurer and President may in writing delegate to a professional management company the authority to execute checks for ordinary and necessary operating expenses of the Association. Capital expenses shall require the signature of the Treasurer and President.

E. Delegation. The Board may delegate the duties listed above or other duties to a manager or managing agent, or other; however, such delegation shall not relieve any member of the Board of the member's responsibility for such duties.

ARTICLE IX COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration (or assign another name thereto), and a Nominating Committee, as provided in: these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X HEARINGS

Section 10.1 General Sanction Hearing. In the event the Board shall exercise its right: 1) to suspend voting rights; 2) to suspend the rights of an Owner or his or her family to use the Common Area; or 3) to impose any monetary penalty, the Board shall first give the sanctioned party written notice of the basis for such sanctions, and the sanctioned party shall be granted an opportunity to be heard by the Board no less than five (5) working days after such notice has been given. The form of such notice and the specific procedures for the hearing and any appeals shall be determined by the rules and regulations adopted by Board resolutions, or by law.

Section 10.1 Architectural Control Committee: Non-Conforming Improvement Hearings. In the event the Architectural Control Committee desires, pursuant to the Declaration, to make or direct a third party to make architectural improvements, alterations, or repair; upon an Owner's Lot, the Committee shall first give written notice to said Owner specifying the; nature of the nonconformity of the architectural improvements, as defined in the Declaration, and providing the Owner with a hearing date before the Committee which shall be more than five (5) but less than fifty (50) days of the date of mailing or delivery of the written notice to said Owner. The form of said written notice and the procedural guidelines for the hearing shall be determined by the rules and regulations adopted by Board resolution.

ARTICLE XI BOOKS AND RECORDS

The books, 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 and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies maybe purchased at reasonable cost.

ARTICLE XII
ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and other 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 thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum (but not to exceed the maximum rate permitted by Arizona law), 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 of 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 the Owner's Lot.

ARTICLE XIII
MANDATORY PROCEDURES

As more specifically set forth in the Mandatory Procedures Section of the Declaration, the Association is limited in the manner in which it may bring civil actions. The Mandatory Procedures prescribed in the Declaration are in addition to and shall not be construed to conflict with any requirements under the laws of the State of Arizona.

ARTICLE XIV
SALE OF LOT BY OWNER/MEMBER

Each Member is required, by the Declaration, to notify the Association in writing, not less than 10 business days prior to the closing of any sale of such Member's Lot, of the name and address of the purchaser thereof, as well as the scheduled closing date for the sale. The Association shall, upon receipt of such information, and in addition to any other requirement at law, mail or otherwise deliver to such purchaser a copy of the Declaration, Bylaws, Association Rules, most recent reserve study, if any, and a statement containing the following information:

A. The telephone number of a principal contact for the Association, which may be an officer thereof, a management company employed thereby, or any other person.

B. The amount of the current regular annual assessment and the amount of any assessments or fees currently owed by the selling Member;

C. Whether or not any portion of the Lot or Dwelling Unit thereon is covered by insurance maintained by the Association;

D. Whether the Association knows of any alterations or improvements to the Lot that violate any provision of the Declaration or Association Rules (and, if so, the nature of those violations);

E. Whether the Association knows of any violation of the health or building codes with respect to the Lot (and, if so, the nature of those violations); and

F. The case name and number of any pending litigation filed by the Association against the selling Member with respect to the Lot, and the case name and number of any pending litigation filed by the Member against the Association (except to the extent information is protected by the attorney-client privilege).

ARTICLE XV
CORPORATE SEAL

The Association shall have a seal in a form approved by the Board.

ARTICLE XVI
AMENDMENT CONFLICTS

Section 16.1 These Bylaws may be amended by the Board of Directors of the Association, subject to amendment or repeal by the vote of not less than three fourths (3/4) of Members voting at a meeting at which a quorum of members is present

Section 16.2 In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws or the Articles, the Declaration shall control.

ARTICLE XVII
FISCAL YEAR

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

ARTICLE XVIII
NOTICE

All notices, demands, statements or other communications required to be given or served under these Bylaws shall be in writing and shall be deemed to have been duly given and served if delivered personally or sent by U.S. Mail, postage prepaid or, in the case of a notice pursuant to Section 7.1(B) of these Bylaws, registered or certified U.S. Mail, return receipt requested, postage prepaid: (i) if to an Owner, at the address that the Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the Owner's property address within the Property or (ii) if to the Association, the Board or any manager employed by the Association with respect to management of the Common Areas, at the principal office of the manager or such other address as shall be designated by notice in writing to the Owners, with copies mailed or delivered personally to Declarant and to the Association at its then principal office. A notice given by mail, whether regular, certified, or registered, shall be deemed to have been received by the person to whom the notice is addressed on the earlier of the date the notice is actually received or three (3) days after the

notice is mailed. If a Lot is owned by more than one (1) person, notice to one (1) of the Owners of the Lot shall constitute notification to all the Owners of the Lot. Nothing in this Section shall preclude the Association from giving notice by any alternative method lawfully authorized.

**ARTICLE XIX
HARDSHIP**

Pursuant to a Resolution of the Board of Directors, August 18, 2008, this Article provides Association members who are members of the United States Armed Forces, actively serving in a war zone, with certain hardship relief. This relief is extended to qualifying members and spouses of qualifying members. This relief applies to the Declaration of Covenants, Conditions, and Restrictions (CC&Rs) of the Association, but is not a revision of the CC&Rs. It does apply to landscaping requirements, CC&Rs violation matters, and fines, but does NOT apply to Association assessments. This Article applies to the Hearing and Fines Policy. It is an aid policy for maintenance hardship.

Section 1. Qualifying Membership Period. Qualifying members will not be subject to fines for unresolved violations while one spouse remains a qualifying member.

IN WITNESS WHEREOF, Pursuant to the vote of the Board of Directors, February 21, 2011, I have executed these wholly revised Bylaws of the Sonoran Desert Willow Estates Homeowners Association this 19 day of MARCH 2011.

By

President

Kenneth F. Moyres

ATTEST:

Marina Cottal 3/19/11
Vice-President date

Sandra R. Dominguez 3/19/11
Treasurer date

Secretary Position Vacant