

**BYLAWS
OF THE
DEER RIDGE ESTATES
HOMEOWNERS ASSOCIATION**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is Deer Ridge Estates Homeowners Association, a nonprofit Arizona corporation, hereinafter referred to as the "Association". The principal office of the Association shall be located at 3318 Navaho Street, Sierra Vista, Arizona 85635, but meetings of members and directors may be held at such places within the State of Arizona, County of Cochise, as may be designated by the Board of Directors.

*the residence of the current
President, or other designated
locations,*

**ARTICLE II
DEFINITIONS**

2.1 All capitalized words and terms used herein shall have the same meaning as given in the Declaration. "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions for the Property as recorded on _____, at Fee # _____ in the office of the Recorder for Cochise County, Arizona, as the same may be amended from time to time.

7/22/1977

9707189712

**ARTICLE III
MEETINGS OF MEMBERS**

*within the first two weeks of
December*

3.1 Annual Meetings. The annual meeting of the Members shall be held ~~on the first Tuesday in December~~ ^{AND time as determined by the Board of Directors} at a location ~~in convenient proximity to the Property~~ at the hour of 6:00 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 next day which is not a legal holiday.

3.2 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~~ ^{not less than ten (10) days nor more than fifty (50) days} before such meeting, to each 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.

*cc# 12, 16
10 to 50 days
22-46 p.m.
days above*

3.3 Special Meetings. 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 one-fourth (1/4) of the Members who are entitled to vote.

3.4 Quorum. The presence at the meeting in person or by proxy of thirty percent (30%) of the votes of Members who are entitled to vote shall constitute a quorum for any action except as otherwise provided in the Article of Incorporation, the Declaration of these Bylaws. If, however, such quorum shall not be present or represented at any meeting,

*cc# 12, 16
10 to 50 days
22-46 p.m.
days above
33-1249
association days 25*

the Members entitled to vote thereof shall have the 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.

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. Every proxy shall be revocable, and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE IV BOARD OF DIRECTORS

4.1 Number. The affairs of the Association shall be managed by a board of three (3) directors, who ~~need not be~~ ^{are} Members of the Association.

4.2 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. At each annual meeting thereafter, the Members shall elect one (1) director for a term of three (3) years.

4.3 Removal. Any director may be removed from the board, with or without cause, by a majority vote of the Members of the Association.

4.4 Vacancies. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the board, and shall serve for the unexpired term of his predecessor.

4.5 Regular Meetings. A regular annual meeting of the directors shall be held immediately after the adjournment of each annual Members' meeting at the place at which such Members' meeting was held. Regular meetings, other than the annual meeting, shall be held at regular intervals at such places and at such times as the Board of Directors may from time to time by resolution provide.

4.6 Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the President or by a majority of the Board. Notice of special meetings of the Board of Directors shall be given by the Secretary to each director, orally or in writing, at least twenty-four (24) hours before the time fixed for the meeting. The notice shall advise each director as to the time, place, day and purpose of the meeting, and shall be delivered personally, or by telephone, telegram, fax or email, or mailed postage prepaid to each director at his last address as it appears on the books of the Association.

4.7 Quorum. A quorum for the transaction of business at any meeting of the directors shall consist of a majority of the Board.

4.8 Board Decisions. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless otherwise provided by the Articles, the Declaration, these Bylaws or unless a greater number is required by law.

4.9 Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.10 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 approval of all directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

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 Members and nonmembers. *delete*

5.2 Election. Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each 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 not permitted.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1 Powers. The Board of Directors shall have the power to:

6.1.1 Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

6.1.2 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;

6.1.3 Employ a manager, an independent contractor, or such other employees as it may deem necessary, and to prescribe their duties; provided, however, any professional management contract providing services of the Declarant, builder, developer or sponsor may not exceed three (3) years, and by such agreement must provide termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice; *what's meani*

6.1.4 Suspend the voting rights and the right to use the Common Area of any 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.

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

6.2.1 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 thirty percent (30%) of the Class A Members who are entitled to vote;

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

6.2.3 As more fully provided in the Declaration, to:

a. Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

b. Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

c. 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.

6.2.4 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.

ARTICLE VII OFFICERS AND THEIR DUTIES

7.1 Enumeration of Officers. The officers of the Association shall be a president, secretary and treasurer, and such other officers as the Board of Directors may from time to time by resolution create.

7.2 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.

7.3 Term. The officers of the Association shall be elected annually by the Board and shall hold office for one (1) year unless otherwise shortened by resignation, or removal, or by some other disqualification.

7.4 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.

7.5 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.

7.6 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.

7.7 Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to paragraph 7.4.

7.8 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, deeds, mortgages and other written instruments; and shall co-sign all checks and promissory notes.

b. Secretary. The secretary shall record the votes and keep minutes of all meetings and proceedings of the Board and of the Members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meetings of the Board and of the Members; shall 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.

c. Treasurer. The treasurer shall receive and deposit in the 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; shall keep proper books of account; shall 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 VIII MEMBERSHIP CERTIFICATES

8.1 Purpose. The Board of Directors may provide for the issuance of certificates evidencing membership in the corporation, which shall be in such form as determined by the Board.

8.2 Issuance. All certificates of membership shall be signed by the President and by the Secretary.

8.3 Duplicate Certificates. Application for a duplicate certificate shall require an affidavit setting forth the circumstances of loss or destruction of the original certificate and indemnification against any loss the corporation may suffer by reason of the issuance of a duplicate certificate. The duplicate certificate shall be marked "Duplicate" and records of the corporation shall reflect the issuance of a duplicate certificate.

"The books and records of the Western Association may be audited or audited as the Board from time to time may see fit."
See Minutes #5, 10
? Budget

ARTICLE IX
COMMITTEES

The Board of Directors shall appoint (a Nominating Committee and other committees) as deemed appropriate in carrying out its purpose, as provided in these Bylaws. *(per CC 411 II Section 4)*

and by appointment
ARTICLE X
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 may be purchased at reasonable cost.

ARTICLE XI
ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay assessments to the Association.

ARTICLE XII
AMENDMENTS

12.1 These Bylaws 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, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while Class B membership is in effect.

12.2 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, the Declaration shall control.

ARTICLE XIII
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.

IN WITNESS WHEREOF, the Deer Ridge Estates Homeowners Association, a nonprofit Arizona corporation, has hereunto caused its corporate name to be signed, its corporate seal affixed, and the same to be attested by the signature of its duly-authorized officers this ____ day of _____, 1997.

DEER RIDGE ESTATES HOMEOWNERS
ASSOCIATION, a nonprofit Arizona corporation

By: _____
President

ATTEST:

By: _____
Secretary