

**DESERT RIDGE, INC.**

**BY-LAWS**

**ARTICLE - I**

**NAME AND LOCATION**

The name of the corporation is DESERT RIDGE, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at Green Valley Pima County, Arizona, but meetings of members and directors may be held at such places within the State of Arizona 1 Country of Pima, as may be designated by the Board of Directors.

**ARTICLE - II**

**DEFINITIONS**

**Section 1:** "Association" shall mean and refer to DESERT RIDGE, INC., its successors and assigns.

**Section 2:** "Properties" shall mean and refer to that certain real property described in the Declaration and such additions or deletions thereto as may hereafter be brought within the jurisdiction of the Association.

**Section 3:** "Common Areas" shall mean all real property owned by the Association as provided in the Declaration.

**Section 4:** "Lot" shall mean and refer to any plot of land shown upon a recorded subdivision map of the Properties, with the exception of the Private Open Space.

**Section 5:** "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

**Section 6:** "Declaration" shall mean and refer to the Declaration of Establishment of Conditions, Covenants and Restrictions applicable to Properties recorded in the office of the Recorder of Pima County, Arizona.

**Section 7:** "Member" shall mean and refer to those Persons entitled to membership as provided in the Declaration.

**Section 8:** Each member shall be entitled to the use and enjoyment of the common properties as regulated by the Declaration and these By-Laws.

**Section 9:** Any member may delegate his rights of enjoyment in the common properties to the members of his immediate family who reside upon the properties or to any of his tenants who reside thereon, and subject to any limitations as may be set forth in the Declaration and these By-Laws. The rights and privileges of such person are subject to suspension to the same extent as those of the member.

**Section 10:** The Directors may adopt and publish rules and regulations governing the use of the common properties and facilities, and the personal conduct of any person thereon.

**ARTICLE - III**

**MEETING OF MEMBERS**

**Section 1:** The annual meeting of the members shall be held on the first Monday in February. 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

first day following which is not a legal holiday.

**Section 2:** 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 ten (10) 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, or by hand delivery to one of the homeowners. 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.

**Section 3:** 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 twenty-five percent (25%) of the members who are entitled to vote.

**Section 4:** The presence at the meeting in person or by proxy of one-tenth (1/10th) of the members who are entitled to vote shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. 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.

**Section 5:** 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.

**Section 6:** Voting rights shall be determined as provided in Paragraph 19 of the Declaration.

**Section 7:** A resolution in writing, signed by all of the members of the Board of Directors, shall be deemed to be action by such Board of Directors to the effect therein expressed with the same force and effect as if the same had been duly passed by the same vote at a duly convened meeting, and it shall be the duty of the Secretary of the Association to record such resolution in the Minute Book of the Association under its proper date.

## **ARTICLE -IV**

### **BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE**

**Section 1:** The affairs of this Association shall be managed by a Board of Directors consisting of five (5) members, each serving a three-year term. Directors will be elected at each annual meeting thereafter to fill the vacancies occurring due to completion of terms of office.

**Section 2:** Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. 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.

**Section 3:** 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.

**Section 4:** 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 the 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

**Section 1:** 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 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 the 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 shall be made from among the members of the Association.

**Section 2:** 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.

**Section 3:** All Elections to the Board of Directors shall be made on a written ballot which shall be prepared in advance and contain:

- (a) An indication of the number of vacancies to be filled.
- (b) The names of those nominated by the Nominating Committee for such vacancies.
- (c) A space for a write in vote for each office.

**Section 4:** The report of the Nominating Committee shall be mailed by the Secretary to the members at the last address reported to the Secretary by each member at least fifteen (15) days in advance of the annual meeting.

## ARTICLE - VI

### MEETINGS OF DIRECTORS

**Section 1:** Regular meetings of the Board of Directors shall be held at least four (4) times a year, at such place and hour as may be fixed from time to time by resolution of the Board. Should a meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

**Section 2:** Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three day (3) days notice to each Director. Notice may be waived at any time by the person entitled to such notice.

**Section 3:** 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.

## ARTICLE - VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

**Section 1:** The Board of Directors shall have power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Areas, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.
- (b) 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 By-Laws, the Articles of Incorporation,

or the Declaration.

- (c) 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.
- (d) Employ a manager, an independent contractor, or such other employees as it deems necessary, and to prescribe their duties, except that an attorney or other representative may not be hired to bring an action on behalf of the Association against any person or organization in any court or administrative hearing or before any governmental body, unless at a special meeting of the members said action is approved by more than fifty percent (50%) of all disinterested members not involved in the proceedings personally.
- (e) Notwithstanding any other provision of these By-Laws, the Board of Directors or its officers or agents shall not take an action against or hire any agent to take any action against the Declarant or its agents, whether such action involved a governmental proceeding, court proceeding or any other direct or indirect action against the Declarant or its agents, without obtaining approval of such action from more than fifty percent (50%) of the members entitled to vote, excluding the Declarant.
- (f) To call special meetings of the Association whenever it deems necessary or upon written request of twenty-five percent (25%) of the voting membership.
- (g) To establish, assess and collect dues and assessments.
- (h) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such securities or fidelity bond as it may deem expedient.

**Section 2: The Board of Directors shall:**

- (a) Keep a complete record of all of its acts and corporate affairs, and present a statement thereof to the members at the annual meeting of the members.
- (b) Supervise all officers, agents and employees of this Association, and see that their duties are properly performed.
- (c) As more fully provided in the Declaration shall:
  - (1) Fix the amount of the assessment against each lot.
  - (2) Mail or deliver written notice of the assessment to every owner subject thereto.
  - (3) Foreclose the lien against any property for which assessments are not paid or bring an action at law against the owner personally obligated to pay the same.
- (d) Procure and maintain adequate liability and hazard insurance on property owned by the Association.
- (e) Cause officers or employees who have fiscal responsibilities to be bonded, as it may deem appropriate.
- (f) Cause the Common Areas to be maintained.
- (g) Maintain all commonly used equipment.

## ARTICLE - VIII

### OFFICERS AND THEIR DUTIES

**Section 1:** The officers of this Association shall be a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create. These officers shall be elected from the members of the Board of Directors.

**Section 2:** The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members by a majority vote of the Board of Directors.

**Section 3:** The officers of this Association shall be elected annually by the Board, and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

**Section 4:** 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 5:** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time, 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 6:** 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.

**Section 7:** The duties of the officers shall be as follows:

#### PRESIDENT

(a) 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, deeds and other written instruments.

#### VICE PRESIDENT

(b) The Vice President 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.

#### SECRETARY

(c) 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.

#### TREASURER

(d) The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association, and shall disburse such funds as directed by resolution of the Board of Directors, provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board, shall sign all checks and promissory notes of the Association, keep proper books of account, cause an annual audit of the Association books to be made at the completion of each fiscal year, and shall prepare an annual budget and

statement of income and expenditures to be presented to the membership at its Annual Meeting, and deliver a copy of each to the members.

## **ARTICLE - IX**

### **COMMITTEES**

**Section 1:** The Standing Committees of the Association shall be:

- (a) The Nominating Committee
- (b) The Maintenance Committee
- (c) The Audit Committee
- (d) The Architectural Control Committee

Unless otherwise provided herein, each committee shall consist of a chairman and two or more members and shall include a member of the Board of Directors. The committees shall be appointed by the Board of Directors within thirty (30) days following each annual meeting to serve until their successors are appointed. The Board of Directors may appoint such other committees as it deems desirable.

**Section 2:** The Nominating Committee shall have the duties and functions as described in Article-V of these By-Laws.

**Section 3:** The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the common property of the Association and shall perform other functions as the Board, in its discretion, determines.

**Section 4:** The Audit Committee shall make an annual audit of the Association's books and approve the financial statements to be presented to the membership at its annual meeting.

**Section 5:** The Architectural Control Committee shall approve or disapprove plans and specifications for any structures to be erected on any lot, and any action relative thereto; however, original home construction by Fairfield Green Valley, Inc., its successors, assigns or agents, shall be exempt from Architectural Control approval.

On any lot, no building, fence, wall, landscaping or other structure shall be commenced, erected or maintained, nor shall any exterior addition to or change be made until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing by an Architectural Control Committee composed of three or more members appointed by the Board. In the event said Board, or its designated Committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, this Article will be deemed to have been fully complied with and the plans shall be deemed approved. The Architectural Control Committee shall watch for any proposals, programs or activities which may adversely affect the residential value of the properties and shall advise the Board of Directors regarding Association action on such matters.

**Section 6:** It shall be the duty of each committee to receive complaints from members on any matter involving the Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented. A report shall be submitted monthly to the Board on all complaints and action taken thereon.

## **ARTICLE - X**

### **INDEMNIFICATION**

Every Officer or Director of the Association may be indemnified by the Association against all expenses, liabilities and penalties, including counsel fees, reasonably incurred by or imposed upon him in connection

with any proceeding to which he may be made a party or in which he may become involved by reason of any acts or omissions alleged to have committed by him while acting within the scope of his employment as a director or officer of the Association, including any settlement thereof, provided that the Board of Directors determines that such person acted in good faith and did not act, fail to act or refuse to act willfully with gross negligence, or with fraudulent or criminal intent in regard to the matter involved in the action or proceeding.

The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director or Officer of the Association or was serving at the request of the Association as a Director, Officer or member of any committee appointed by the Board of Directors, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have had the power to indemnify him against such liability under this Article.

The right of indemnification hereinabove provided shall not be exclusive of any rights to which any Director, officer or committee member of the Association may otherwise be entitled by law.

## **ARTICLE — XI**

### **PROXIES**

Section 1: At all Association meetings of members, each member may vote in person or by proxy.

Section 2: All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of twelve (12) months, and each proxy shall automatically cease upon sale by member of his interest in the properties.

## **ARTICLE - XII**

### **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 By-Laws 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 - XIII**

### **ASSESSMENTS**

As more fully provided in the Declaration, each member is obligated to pay to the Association assessments. Any assessments which are not paid within thirty (30) days of the due date shall be delinquent and shall constitute a lien on the Lot of the Owner who fails to pay them and shall bear interest from the date of delinquency as provided in the Declaration. The Association may bring an action at law against the Owner personally obligated to pay the assessment or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action or foreclosure 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 Areas or Common Local Areas.

Notwithstanding any provision of this Article, the Declarant, Fairfield Green Valley, Inc., or its successors, assigns or agents, shall have no obligation to pay assessments or dues to the Association for any lots it owns. Pursuant to the recorded Declaration, Paragraph 20 thereof, this provision of Article XIII may not be amended without the prior written consent of the Declarant, or its successors, assigns or agents.

**ARTICLE - XIV**  
**CORPORATE SEAL**

The Association shall have a seal as is shown at the right of this Article.

**ARTICLE - XV**

**AMENDMENTS**

Section 1: These By-Laws may be amended at a regular or special meeting of the Association by majority of the members present in person or by proxy, provided that all amendments are consistent with the recorded Declaration and Articles of Incorporation.

Section 2: In the event of any conflict between the Declaration and these By-Laws, the Declaration shall control. In the event of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control.

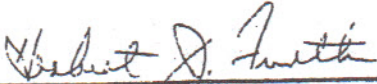
**ARTICLE - XVI**

**MISCELLANEOUS**

The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year.

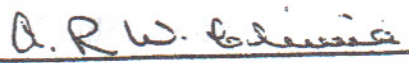
These By-Laws include all revisions made to the date hereof.

In witness thereof, by order of the Board of Directors; We, the President and Secretary of Desert Ridge Inc., have hereunto set our hands and the seal of the Corporation, this \_\_\_\_\_ day of February, 1999.

  
\_\_\_\_\_  
President

Revised:

Nov.1983  
Dec.1986  
Dec.1992  
Feb.1999

  
\_\_\_\_\_  
Secretary