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Bylaws
Of
Desert Sun Condominiums Association, Inc.
(As Amended 2/20/07)

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BYLAWS
OF
DESERT SUN CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is DESERT SUN CONDOMINIUM ASSOCIATION, INC., (hereinafter referred to as the “Association”). The principal office of the corporation shall be located at 3270 South Goldfield Road, Apache Junction, Arizona, 85219, but meetings of members and directors may be held at such places within the State of Arizona as may be designated.

ARTICLE II

DEFINITIONS

Section 1. “**Association**” or “**Unit Owners Association**” shall mean and refer to DESERT SUN CONDOMINIUM ASSOCIATION, INC., its successors and assigns, which is organized under A.R.S. §33-1241.

Section 2. “**Common Elements**” shall mean all portions of a condominium other than the units.

Section 3. “**Declarant**” shall mean and refer to Desert Sun Holding, Inc., an Arizona corporation, its successors and assigns.

Section 4. “**Declaration**” shall mean and refer to the Declaration of Condominium and Covenants, Conditions and Restrictions applicable to the Property recorded in the Office of the County Recorder, Pinal County, Arizona.

Section 5. “**Member**” shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 6. **“Owner “or “Unit Owner”** shall mean and refer to the Owner of a unit as defined in the Declaration.

Section 7. **“Property”** shall mean and refer to that certain real property described in the Declaration of Condominium and Covenants, Conditions and Restrictions.

Section 8. **“Unit”** shall mean a portion of the condominium designated for separate ownership or occupancy.

ARTICLE III

MEETING OF MEMBERS

Section 1. **Annual Meetings.** The first annual meeting of the members shall be held within one (1) year form the date of the incorporation of the Association, and each subsequent annual meeting shall be held on the third Tuesday of each February, or other date as the board of Directors may determine. 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.

(Amended 2/21/95)

Section 2. **Special Meetings.** Special meetings of the members may be called at any time by the President or by a majority of the Board of Directors, or by unit owners having twenty five percent (25%) of the votes in the association.

Section 3. **Notice of Meetings.** Not fewer than thirty (30) days in advance of the annual meeting, and fifteen (15) days in advance for special meetings, the President or Secretary shall cause notice to be hand-delivered or sent pre-paid by the United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit owner. The notice of any meeting shall state the time and the place of the meeting. Notice of any special meeting shall also state the items on the agenda including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposals to removing a director or officer. (Amended 2/21/95)

Section 4. **Quorum.** A quorum is present throughout any meeting of the association if persons entitled to cast at least twenty-five (25%) of the votes in the Association are present in person or by proxy at the beginning of the meeting. If, however, such quorum shall not be present at any meeting or represented 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 as aforesaid shall be present or represented.

Section 5. **Proxies.** At all meetings of members, each member may vote in person or by proxy. All proxies shall be revocable and shall automatically cease upon conveyance by the member of his Unit.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. **Number.** The affairs of this Association shall be managed by the Board of not less than three (3) nor more than seven (7) Directors, all of whom shall be members of the Association.

Section 2. **Term of Office.** At the second annual meeting the members shall elect one-third of the Directors for a term of one (1) year, one-third of the Directors for a term of two (2) years and one-third of the directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect one-third of the Directors for a term of three (3) years.

Section 3. **Removal.** Any director may be removed by a two-thirds vote of the members of the Association... In the event of death, resignation, or removal of a director, his shall be selected by the remaining members of the Board and shall serve for the unexpired term of this predecessor.

Section 4. **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.

Section 5. **Action Taken Without a Meeting.** The Directors shall have the right to take any action in the absence of a board 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.** Nomination for election to the Board of Directors shall be made by the 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 nomination may be made among members.

Section 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

MEETING OF DIRECTORS

Section 1. **Regular Meetings.** Regular meetings of the Board of Directors shall be held monthly during the months of November through April at such dates as set previously and posted

by the Board. The Board shall set aside time before the start of the meeting to hear comments from association members, not to exceed three (3) minutes per member. These meetings may be tape recorded at the convenience of the Secretary and the tapes should be re-used or destroyed after the minutes are approved by the Board. (Amended 2/22/94; 2/21/95; 2/20/07)

Section 2. **Special Meetings.** Special meetings of the Board of Directors shall be held when called by the President of the Association, or by and two (2) directors, after not less than three (3) days notice to each Director. Such meetings may be held in a form and format as is deemed acceptable by the Board of Directors. (Amended 2/22/94)

Section 3. **Quorum.** A majority of the number of Directors shall constitute a quorum for the transaction of business. A quorum is deemed present throughout any meeting of the Board with persons entitled to cast at least fifty per cent (50%) of the votes on the Board are present at the beginning of the meeting. 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. **Powers.** The Board of Directors shall have power to:

(a) in the manner provided in Article XII, adopt and publish rules and regulations governing the use of the Common Elements and facilities, the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied the Association. Such rights may also be suspended after notice and hearing, for infraction of published rules and regulations;

(c) declare the office of a member of the Board of Directors to be vacant in the event such member shall have unexcused absences fro three (3) consecutive regular meetings of the Board of Directors;

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

(e) exercise for the Association all powers, duties and authority vested in or delegated to this Association by Arizona Revised Statutes, §33-1242, and not reserved to the membership by other provision of these Bylaws, the Articles of Incorporation, or the Declaration.

Section 2. **Duties.** It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all acts and corporate affairs and to present 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 fifty per cent (50%) or more of the members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has not 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 certificates shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on the property owned by the Association;

- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (g) cause the Common Elements to be maintained.

ARTICLE VIII

OFFICERS AND THEIR POWERS AND DUTIES

Section 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 to time by resolution create.

Section 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.

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

Section 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 5. **Resignation and Removal.** Any officer, except an officer appointed during the period of Declarant control as provided by A.R.S. §33-1243, 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 the 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. **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.

Section 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 to Section 4 of this Article.

Section 8. Powers and Duties. The duties of the officers are as follows:

(a) The President shall preside at all meetings of the Board of Directors; see that orders and resolutions of the Board are carried out; sign all leases, mortgages, deeds and other written instruments and co-sign all promissory notes. (Amended 2/22/94)

(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.

(c) The secretary shall record the votes and keep 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 required as required by the Board.

(d) 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; co-sign all checks and promissory notes of the Association; keep proper books of account; cause a compiled financial statement, with full disclosure, to be done by an outside public accounting firm at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditure to be presented to the membership at its regular annual meeting and deliver a copy of each to the members. The Treasurer shall present quarterly a timely financial statement of income and expenditures, including balances of the general fund and an itemized reserve fund balance. (Amended 2/22/94; 2/21/95)

(e) The President and Secretary may execute, certify and record amendments to the Declaration on behalf of the Association.

ARTICLE IX

COMMITTEE

The Board of Directors shall appoint an Architectural Control Committee, as provides in the Declaration and a Nominating Committee. In addition, the Board of Directors may appoint other committees such as Maintenance and Social Committees, as deemed appropriate in carrying out its purposes.

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 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 to the Association annual and special assessments which are secured by a continuing lien upon the Unit against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within 15 days after the due date, the assessment shall incur a late payment charge of \$5.00 for each month the amount due is late or unpaid. The Association may bring an action against the Unit, and interest, costs, charges imposed pursuant to A.R.S. §33-1242, and reasonable attorney's fees incurred in any such action shall be added to the amount of each assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his Unit.

ARTICLE XII

USE RIGHTS AND RESTRICTIONS

Reasonable rules and regulations concerning the use of the Common Elements and imposing reasonable restrictions upon the Owners and use of the Units shall be made and amended from time to time by the Board; provided, however, that all such rules and regulations and amendments thereto shall be submitted to the members of the Association for approval prior to the publication thereof, and shall be in accordance herewith and in accordance with the Declaration. Copies of current rules and regulations and amendments thereto shall be promulgated by the Board. The following use rights and restrictions apply:

Section 1. **Sales Facilities of Declarant** Declarant, its successors and assigns, its agents, employees and contractors shall be permitted to maintain upon such portion of the Property, or additional property and in such Units owned by Declarant, or Common areas, including the Recreation Building, as the Declarant may choose, such facilities as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the sale or rental of Units and interests, including, but not limited to, a business office, storage area, signs, model units, sales office and guest parking spaces by the Recreation Building, as designated on the plat, for all prospective tenants or purchasers, except that Declarant may not use any parking spaces assigned to Owners other than Declarant, and any use of the Common Area by Declarant under this section must not interfere with the reasonable use and enjoyment of any portion of the Common Area by Unit Owners.

Section 2. **Common Elements.** Except for the rights of exclusive and restrictive use set forth in the Declaration, each Owner shall have the right to use the Common Elements in common with others. The use, maintenance and operation of the Common Elements may not be obstructed, damaged or unreasonably interfered with by any Owner or Occupant. Common drives, walks, and stairways shall be used exclusively for normal transit and no obstructions shall be placed thereon or therein except by

by express written consent of the Board.

Section 3. **Improper Use.** No use or practice which is the source of annoyance to Occupants or which interferes with the peaceful possession and proper use of the property by its residents shall be permitted on the Property, and all parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuses or garbage allowed to accumulate, nor any fire hazard allowed to exist.

Section 4. **Vehicle Parking.** Recreational vehicles, boats, trailers, campers, or similar Vehicles are not allowed in the condominium complex unless authorized in writing by the management and then for short term loading and unloading not to exceed forty-eight (48) hours. Permits this obtained must be prominently displayed on the vehicle. Other items of equipment may be parked or kept therein only subject to the rules and regulations of the Board. The Board may require removal of any inoperative vehicles, or any unsightly vehicle, and any other equipment or item improperly stored in the parking spaces. If the same is not removed, the Board may cause removal at the risk and expense of the Owner thereof. Use of all parking areas may be regulated and is subject to provisions of the Declaration.

Section 5. **Pets.** No dog weighing in excess of 15 pounds shall be kept or maintained in or Upon the Property. Cats, fish, and birds may be kept or maintained so long as the same are for pleasure Only, are properly cared for, are in such kind and numbers so as not to be offensive to other Owners. No other type of creature may be kept or maintained without express written approval of the Board.

Section 6. **Interior Unit Maintenance**

(a) Each Unit Owner shall, at his sole expense, have the right and the duty to keep the interior of his Unit and its equipment, appliances and appurtenances in good order, condition and repair, and shall do all redecorating and painting at any time necessary to maintain the good appearance and condition of his Unit.

(b) Without limiting the generality of the foregoing, each Owner shall have the right and duty, at his sole cost and expense, to maintain, repair, paint, paper, panel, plaster, tile and finish the interior surfaces of the ceilings, floors, window frames, door frames, trim and perimeter walls of Units and the surfaces of the bearing walls located within his Unit and shall not permit or commit waste of his Unit or the Common Elements. Each Owner shall have the right to substitute new finished surfaces for the finished surfaces then existing on said ceilings, floors and walls. Each Owner and his Agent has the right to maintain, repair, paint, finishing, alter, substitute, and/or remove any fixtures or appliances attached to said ceilings, floors, or walls. This section shall not be construed as permitting an interference with the use and enjoyment of the Common Elements or of the other Units or any of them, nor shall it be construed to limit the power or obligations of the Board hereunder.

Section 7. **Signs** No advertising or any other signs shall be erected, placed or permitted to Remain on any Unit or the Property except as otherwise approved by the Association. This sanction shall not apply to Declarant or Declarant's agents prior to sale of all units.

Section 8. **Effect of Insurance.** Nothing shall be done or kept in any Unit or on the Property Which will increase the rate of insurance on the Common Element or Units without the prior written Consent of the Board. No Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on any Unit or any part of the Common Elements, or would be in violation of any laws.

Section 9. **Miscellaneous Uses Prohibited.**

(a) No clothing, washing, or other unsightly object may be placed, hung or permitted on the exterior of the Unit or appurtenant property or in any other place that is readily visible to the public.

(b) No gainful occupation, profession, trade or business shall be conducted in or on the Property. The foregoing sentence shall not prevent the renting or leasing of a Unit nor shall it prevent the use of Mails or telephone in or from a Unit in connection with investment or similar activities that are merely Incidental to using the Unit as a single family residence.

(c) No antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be used or maintained in or on the Property unless it is concealed from public view within a Unit, and does not interfere with other Owners or unless it is a master television antenna system or cable television system owned and licensed by the association.

(d) No use shall be made of the Property and no activity shall be carried on or conducted in or upon the Property in a noisy, vulgar, obscene, inconsiderate, unthoughtful or other manner that interferes with the use and enjoyment of the Property by other Owners.

ARTICLE XIII

CORPORATE SEAL

The Corporate Seal, if a seal is obtained, shall have a seal in circular form having within its circumference the words: “DESERT SUN CONDOMINIUM ASSOCIATION, INC. – ARIZONA” and in the center “INCORPORATED 1992.”

ARTICLE XIV

AMENDMENTS

Section 1. These Bylaws may be amended at a regular or special meeting of the members by a vote of a two-thirds majority of a quorum of members present in person or by proxy.

Section 2. Except to the extent inconsistent with Title 33, Chapter 9 and 16, Arizona Revised Statutes: (Amended 2/21/95)

(a) If a conflict exists between provisions of the Declaration and other condominium documents, the Declaration prevails.

(b) If a conflict exists between the provisions of the Articles of Incorporation and the Bylaws or Rules, The Articles of Incorporation prevail.

(c) If a conflict exists between the provisions of Bylaws and the Rules, The Bylaws prevail.

ARTICLE XV

MISCELLANEOUS

The fiscal year of the Association shall begin on January 1 and end on December 31 of every year, except that the first fiscal year shall begin on the date of incorporation.