

**AMENDED AND RESTATED**  
**BYLAWS**  
**OF**  
**SOUTHVIEW TRAILS COMMUNITY ASSOCIATION, INC.**

**ARTICLE I**

**NAME AND LOCATION**

The name of the corporation is SOUTHVIEW TRAILS COMMUNITY ASSOCIATION, INC., hereinafter referred to as the "Association". The location of the principal office of the Association shall be provided in the Articles of Incorporation (the "Articles"). Meetings of members and directors may be held at the principal office of the Association or at such other places within the State of Arizona as may be designated by the Board of Directors (the "Board").

**ARTICLE II**

**DEFINITIONS**

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions dated March 12, 2005, and recorded on March 28, 2005, in Book 4246, Page 831 of the Official Records of Yavapai County, Arizona, as Amended and Restated (the "Declaration").

**ARTICLE III**

**MEMBERSHIP AND VOTING**

Section 1. Membership. Every owner shall be a member of the Association. The terms and provisions set forth in these Bylaws, which are binding upon all owners, are not exclusive, as owners shall, in addition, be subject to the terms and provisions of the Articles, Declaration and Association Rules and Regulations ("Association Rules"). The membership of each owner shall be appurtenant to and may not be separated from the interest of such owner in his lot. Ownership of a lot shall be the sole qualification for membership. A member's voting rights or privileges in the Common Area, or both, may be regulated or suspended as provided in the Declaration, these Bylaws or the Association Rules. Not more than one membership shall exist for each lot.

Section 2. Transfer. The membership held by any owner shall not be transferred, pledged or alienated in any way, except that such membership shall automatically be transferred to the transferee of the interest of an owner in a lot. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. The Association shall have

the right to record the transfer upon the books of the Association without any further action or consent by the transferring owner.

Section 3. Voting Rights. All voting rights in the Association shall be vested in the members of the Association, each of whom shall be entitled to one (1) vote for each lot in which they hold the interest required for membership. Each such person shall be a member and the vote for such lot shall be exercised as they, among themselves determine but in no event shall more than one (1) vote be cast, with respect to any lot. The vote for each lot shall be cast as a unit and fractional votes shall not be allowed. In the event that joint owners are unable to agree among themselves as to how their vote or votes should be cast, they shall lose their right to vote on the matter in question. If any owner casts a vote representing a certain lot, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other owners of the same lot. In the event that more than one vote is cast for a particular lot, none of such votes shall be counted and such votes shall be deemed void.

Section 4. Corporate or Trust Membership. In the event any lot is owned by a corporation, partnership, trust, or other association, the corporation, partnership, trust, or association shall be a member and shall designate in writing at the time of acquisition of the lot an individual who shall have the power to vote said membership, and in the absence of such designation and until such designation is made, the chief executive officer, if any, of such corporation, partnership, trust or association, shall have the power to vote the membership. If there is no chief executive officer, then the board of directors or general partner of such corporation, partnership, trust or association shall designate who shall have the power to vote the membership.

Section 5. Suspension of Voting Rights. In the event any owner is in arrears in the payment of any assessments or other amounts due under any of the provisions of these Bylaws, the Declaration, the Articles, or Association Rules for a period of fifteen (15) days or more, said owner's right to vote as a member of the Association shall be suspended and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current. In the event any owner is in default of any non-monetary obligation of these Bylaws, the Declaration, the Articles, or Association Rules, and remains in default for more than ten (10) days after notice from the Association to cure same, said owner's right to vote shall be suspended for a period not to exceed sixty (60) days.

Section 6. Non-cumulative Voting. All voting shall be on a non-cumulative basis.

## **ARTICLE IV**

### **MEETING OF MEMBERS**

Section 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 2. Special Meetings. Special meetings of the members may be called by the President, the Board of Directors, or by written request signed by members having at least twenty-five percent (25%) of the total authorized votes of the Association.

Section 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, not less than fifteen (15) days nor more than sixty (60) 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. 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 4. Quorum. The presence at the meeting of members entitled to cast, in person or absentee ballot, fifty-one percent (51%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Declaration, the Articles 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 and reschedule the meeting.

Section 5. Procedure. Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration, the Articles or these Bylaws.

## **ARTICLE V**

### **BOARD OF DIRECTORS**

Section 1. Number. A Board of Directors shall manage the affairs of the Association. The Board shall have the exclusive right of determining the affairs of the Association and shall consist of not less than three (3) nor more than ten (10) directors

Section 2. Term of Office. The directors designated in the Articles shall hold office until the first annual election of directors, which shall take place at the first annual meeting of members, or until their successors are elected and qualified. At the first annual meeting, the members shall elect one (1) director for an initial term of three (3) years, one (1) director for an initial term of two (2) years, and one director for an initial term of one (1) year. At each annual meeting thereafter, the members shall elect directors to replace those directors whose terms have expired and all such directors shall be elected for a term of three (3) years. The members may modify the length of terms and the number of directors may be increased to not more than ten (10) by vote of the Board. In the event of an increase in the number of directors, the members at the first annual meeting after the increase shall designate the terms for the new directorships. If the new directorships are created and filled by the Board between annual meetings, the newly elected directors shall serve until the next annual meeting of the members.

Section 3. Removal and Vacancies. Any director may be removed from the Board, with or without cause, by members in compliance with the requirements of Arizona Revised Statutes, Section 33-1801 *et seq.*, known as the Planned Community Act and any successor statutes thereto. In the event of the death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board (even though constituting less than a quorum), and such successor shall serve for the unexpired term of the predecessor.

Section 4. Compensation. No director shall receive compensation for any service rendered to the Association in the capacity of director. However, any director may be reimbursed for actual expenses incurred in the performance of duties as a director and may receive a salary or wages if he is employed by the Association in a capacity in addition to serving as director.

Section 5. Action Taken Without a Meeting. Arizona statutes allow action by the Board of Directors without a meeting if the action is taken by all of the directors. 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 must be included in the minutes of the next Board meeting reflecting the action taken and have the same effect as though taken at a meeting of the directors.

## **ARTICLE VI**

### **NOMINATION AND ELECTION OF DIRECTORS**

Section 1. Nomination. Nomination for election to the Board shall be made by a nominating committee. Nominations also may be made from the floor at the annual meeting of the members. The nominating committee shall consist of a chairman who shall be a member of the Board, and two or more persons who are either members of the Association, officers of the corporate member, or partners in a partnership member. The initial nominating committee shall be appointed by the Board at least ninety (90) days prior to the first annual meeting to serve until the close of the first annual meeting. Thereafter, the nominating committee shall be appointed by the Board 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 as it shall in its discretion determine but not less than the number of vacancies which are to be filled.

Section 2. Election. Election to the Board shall be secret written ballot. At such election, the members entitled to cast in person or by absentee ballot may cast in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person(s) receiving the largest number of votes shall be elected.

## **ARTICLE VII**

### **MEETING OF DIRECTORS**

Section 1. Regular Meetings. Regular meetings of the Board shall be held at least quarterly, at such place and hour as may be fixed from time to time by resolution by the Board.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association or by any two directors, after no less than three (3) days notice to each director.

Section 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.

## **ARTICLE VIII**

### **POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. Powers. The Board shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area, the personal conduct of the members and their guests thereon, and any other matters contemplated by the Declaration and Articles and to establish penalties for infractions thereof;

(b) Suspend the voting rights of a member and/or the member's right to use all or any portion of the Common Area during any period in which such member shall be in default in the payment of any assessment levied by the Association and for non-monetary infractions of the Declaration or the Association Rules;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the members by other provisions of these Bylaws, the Articles or the Declaration;

(d) Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;

(e) Employ a manager, independent contractors, or such other employees as they deem necessary and to prescribe the duties of such persons;

(f) To do all other acts and things required by applicable law or statute or authorized in the Declaration but not explicitly set out above; and

(g) In general to do and perform such acts and things and to transact such business in connection with the foregoing objects and purposes as may be necessary or appropriate.

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

(a) Cause to be kept a complete record of all of 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 at least ten percent (10%) of the members who are entitled to vote;

(b) Supervise all officers, agents and employees of the 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 lot at least thirty (30) days in advance of each annual assessment period; and

(2) Take such action, as when the Board deems such action appropriate but after notice as provided in the Declaration, to foreclose the lien against any lot for which assessments are not paid and/or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue or 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 such certificates. If a certificate states an assessment has been paid, such certificates shall be conclusive evidence of such payment, as against any bona fide purchase of, or lender on the lot in question;

(e) Procure and maintain adequate liability and hazard insurance on the Common Area;

(f) Cause the maintenance responsibilities of the Association set forth in the Declaration to be performed.

## **ARTICLE IX**

### **OFFICERS AND THEIR DUTIES**

Section 1. Enumeration of Officers. The officers of this Association shall be a President, who shall at all times be a member of the Board, a Vice President, a Secretary and a Treasurer, and such other officer(s) as the Board may from time to time create by resolution.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the members.

Section 3. Term. The Board shall elect the officers of this Association annually and each shall hold office for one (1) year unless he or she shall be removed or otherwise disqualified to serve or unless elected for a time period specified to be different than one year.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall (i) hold office for such period, (ii) have such authority and (iii) perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. The Board may remove any officer from office with or without cause. 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 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. Unless earlier removed, the officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 7. Multiple Offices. The same person may hold the offices of Secretary and Treasurer. Other than for these two (2) offices, no person simultaneously shall hold more than two (2) offices except in the case of special offices created pursuant to Section 4 of this Article.

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

(a) President. The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall exercise and discharge such other duties as may be required by the Board.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; 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 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; shall sign all checks and promissory notes of the Association; shall keep proper books to be compiled 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 regular annual meeting and delivered to the members.

(e) Delegation. The Board may delegate the duties listed above or other duties to a manager or managing agent or other person. However, such delegation shall not relieve any member of the Board of their responsibility for such duties.

## **ARTICLE X**

### **INDEMNIFICATION**

The Association shall indemnify all of its directors, officers, incorporators, members of the Architectural Control Committee, employees, agents and its former directors and expenses incurred by them, including, without limitation, legal fees, and judgments and penalties rendered or levied against them or any of them in any legal action brought against any such persons for actions or omissions alleged to have been committed by any such person while acting within the scope of his or her employment by the Association, provided that;

(i) the Board shall determine in good faith that such person did not (i) act, (ii) fail to act, or (iii) refuse to act, willfully or with gross negligence, or with fraudulent or criminal intent in regard to the matter involved in the action;

(ii) that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933;

(iii) that the Association shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable unreasonably shall have refused to permit the Association, at its own expense and through counsel of its own choosing, to defend him or her in any such legal action.

Whenever any such person shall report to the President of the Association that he or she has incurred or may incur any such expenses, the Board shall at its next meeting or at a special meeting held within a reasonable time thereafter, determine in good faith whether such person acted, failed to act, or refused to act willfully, with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action. If the Board determines in good faith that such person 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, indemnification shall be mandatory and automatically shall be extended as specified herein, except as otherwise provided hereinbefore.

## **ARTICLE XI**

### **COMMITTEES**

Section 1. Architectural Control Committee. The right to approve or disapprove plans and specifications for improvements on the Property shall be vested in an Architectural Control Committee consisting of five (5) members who shall be appointed from time to time by the Association's Board of Directors. The members of the Architectural Control Committee need not be architects, owners or occupants of the property and do not need to possess any special qualifications. Architectural Control Committee members shall serve for a term of one (1) year and may be reappointed or reelected. The Board may remove such members at any time during their term of office, with or without cause. Upon removal of a member of the Architectural Control Committee, the Board shall appoint a replacement member as soon as possible so that the Committee shall always consist of the number of members designated in this Section.

Section 2. Duties of Committee. It shall be the duty of the Architectural Control Committee to consider and act upon any and all proposals or plans submitted pursuant to the terms of the Declaration; to ensure that all improvements constructed on the Property by anyone conform to plans approved by the Committee; to adopt Architectural Rules and Regulations and to perform other duties imposed upon it by the Declaration.

Section 3. Meetings. The Architectural Control Committee shall meet from time to time as necessary to perform its duties hereunder. The vote or written consent of a majority of the members of the Committee, at a meeting or otherwise shall constitute the act of the Committee unless the unanimous decision of the Committee is required by any other provision of the Declaration. The

Committee shall keep and maintain a written record of all actions taken by it at such meetings or otherwise. Members of the Committee shall not receive any compensation for services rendered.

Section 4. Architectural Standards and Procedures. The Architectural Control Committee may, from time to time, and in its sole and absolute discretion, adopt, amend, and repeal by unanimous vote or written consent rules and regulations to be known as “Architectural Standards and Procedures”. The Architectural Standards and Procedures shall interpret and implement the Declaration by setting forth the standards and procedures for Committee review, the guidelines for design and placement of improvements, as well as all other duties of the Committee as particularly set forth in Section 2 above.

Section 5. Waiver. The approval by the Architectural Control Committee of any plans, drawings or specifications for any work done or proposed or for any other matter requiring the approval of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification, or matter subsequently submitted for approval.

Section 6. Liability. Neither the Architectural Control Committee nor any member thereof shall be liable to the Association, any owner, or to any other party, for any damage, loss, or prejudice suffered or claimed on account of:

- (i) the approval or disapproval of any plans, drawings, or specifications; or
- (ii) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications.

Section 7. Appeal. In the event plans and specifications submitted to the Architectural Control Committee are disapproved, the party or parties making such submission may appeal in writing to the Board within thirty (30) days following the final decision of the Committee. The Board shall submit such request to the Committee for review, whose written recommendations will be submitted to the Board. Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written decision. Failure of the Board to render a decision within said forty-five (45) day period shall be deemed a decision in favor of the appellant.

Section 8. General. The Board shall appoint such other committees, as they deem appropriate in carrying out the purposes of the Association.

## **ARTICLE XII**

### **BOOKS AND RECORDS**

Subject to applicable law, the books, records and papers of the Association shall at all time, during reasonable business hours, be available for inspection by any member. The Declaration, the Articles 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 or downloaded from the Southview web-site, if any, free.

## **ARTICLE XIII**

### **ASSESSMENTS**

As more fully provided in the Declaration, each member is obligated to pay to the Association Annual Assessments, Special Assessments and Supplemental 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 on the due date, the assessment shall bear interest, 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, as provided in the Declaration. Interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by virtue of such owner's non-use of the Common Area or abandonment of his lot.

## **ARTICLE XIV**

### **AMENDMENTS**

Section 1. Amendment By Vote of Members. These Bylaws may also be adopted, amended or rescinded by a majority vote of members of the Association then entitled to vote who are present either in person or by absentee ballot, at any duly called and held annual meeting or special meeting, provided that notice of the proposed adoption, amendment or rescission has been given at least fifteen (15) days prior to said special meeting by mailing such notice to the last known address of the members who are then in good standing and entitled to vote.

Section 2. Amendment If Required By Outside Agencies. The Board reserves the right to amend all or any part of these Bylaws to such an extent and with such language as may be requested by any federal, state or local governmental agency which requests such an amendment to a condition precedent to such agency's approval of the Bylaws or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any lot.

## **ARTICLE XV**

### **INTERPRETATION**

In the case of any conflict between the Articles 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 XVI**

**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 each year, except that the first fiscal year shall begin on the date of incorporation of the Association.