

**BYLAWS  
OF  
CIRCLE G AT HIGHLANDS WEST HOMEOWNERS ASSOCIATION**

**1. NAME AND LOCATION**

The name of the corporation is Circle G at Highlands West Homeowners Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 1455 East University Drive, Mesa, Arizona 85203, but meetings of Members and directors may be held at such places within the State of Arizona, County of Maricopa, as may be designated by the board of directors.

**2. DEFINITIONS**

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in the Declaration of Covenants , Conditions and Restrictions of Circle G at Highlands West, herein referred to as the "Declaration", which shall be of record in the Official Records of the Maricopa Country Recorder, Arizona as the same may be supplemented or amended from time to time, or in the Articles of Incorporation of Circle G at Highlands West Homeowners Association.

**3. MEETING OF MEMBERS**

3.1. Annual Meetings: Annual meetings of the Members shall be held at such time during the months of March or April each year as determined by the Board of Directors.

3.2. Special Meetings: Special meetings of the Members may be called at any time by the President or by the Board, or upon written request of the Members who are entitled to vote one-third (1/3) of all of the votes of the Class A membership.

3.3. Notice of Meetings: Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, supplied by such Member to the Association for the purpose of notice. Such

Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, 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.

3.4. Quorum: The presence at the meeting of Members or of proxies entitled to cast one-tenth (1/10) of the votes of the Members of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

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.

#### **4. BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE**

4.1. Number: The affairs of this Association shall be managed by a Board of three (3) directors, who need not be 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; and 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. In the event of the death, resignation or removal of a director, his successor shall be selected by the remaining directors of the Board and shall serve for the unexpired term of his predecessor.

4.4. 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.

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

## 5. NOMINATION AND ELECTION OF OFFICERS

5.1. Nomination: Nomination for election to the Board shall be made by any director from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two (2) or more Members. 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 that are to be filled. Such nominations may be made from among Members or nonmembers.

5.2. Election: Election to the Board 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.

## 6. MEETINGS OF DIRECTORS

6.1. Regular Meetings: Regular meetings of the Board shall be held monthly without notice at such place and hour as may be fixed from time to time by resolution of the Board. Should said 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.

6.2. Special Meetings: Special meetings of the Board shall be held when called by the President of the Association or by any two (2) directors after not less than three (3) days' notice to each director.

6.3. Quorum: A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

## 7. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1. Powers: The Board shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and the right to the 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 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;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles, or the Declaration; and
- (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.

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

- (a) 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 at which such statement is requested in writing by Members who are entitled to vote one-third (1/3) of all of the votes of the Class A membership;

- (b) supervise all officers, agents and employees of the Association and see that their duties are properly performed;
- (c) as more fully provided in the Declaration:
  - 1) fix the amount of the annual assessment against each Lot 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 Lot for which assessments are not paid within thirty (30) days after the due date or 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 these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Area to be maintained; and
- (h) co-sign checks.

## 8. OFFICERS AND THEIR DUTIES

8.1. Enumeration of Offices: The officers of this Association shall be a President and Vice-President who shall at all times be members of the Board, a Secretary, a Treasurer, and such other officers as the Board may from time to time by resolution create.

8.2. Election of Officers: The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

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

8.4. Special Appointments: The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.5. Resignation and Removal: Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6. Vacancies: A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the unexpired term of his predecessor.

8.7. Multiple Offices: The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 8.4 above.

8.8. 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 co-sign all promissory notes.

- (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, and shall exercise and discharge such other duties as may be required of him by the Board.
- (c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meetings 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.
- (d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association; shall prepare disbursements of such funds as directed by resolution of the Board; shall co-sign all promissory notes; 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.
- (e) Association Manager. In those instances where the Board has, by resolution, elected or appointed a Manager for the Association, such Manager shall be referred to as the Association Manager. The Association Manager may be a natural person or a duly organized legal entity, including without limitation a corporation or limited liability company. The Association Manager (or, if other than a natural person, the Association Manager's duly authorized representative) shall have authority to sign checks of a routine nature for expense classifications previously

approved by the Board and checks of Five Hundred Dollars (\$500.00) or less for emergency matters. Checks in excess of Five Hundred Dollars (\$500.00) and checks issued to pay non-routine expenses shall be signed by two (2) members of the Board.

## **9. COMMITTEES**

The Association shall appoint an Architectural Control Committee, as provided in the Declaration and a Nominating Committee, as provided in Section 5.1 of these Bylaws. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purpose.

## **10. 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 and the Bylaws shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

## **11. ASSESSMENTS**

As more fully provided in the Declaration, each Owner is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action of law against the Owner personally obligated to pay the same, foreclose the lien against the Owner personally obligated to pay the same, or foreclose the lien against the Lot, and 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 assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.



## 12. CORPORATE SEAL

A corporate seal shall not be requisite to the validity of any instrument executed by or on behalf of the Association, but nevertheless, if, in any instance a corporate seal be used, the same shall be, at the pleasure of the officer affixing the same, either (a) a circle having on the circumference thereof "Maricopa County, Arizona," and in the center "INCORPORATED, 1997", or (b) a circle containing the words "CORPORATE SEAL", on the circumference thereof.

## 13. AMENDMENTS


13.1. Passage of Amendments: 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 there is Class B membership.

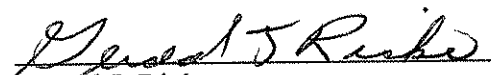
13.2. Conflict: In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

## 14. MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of Circle G at Highlands West Homeowners Association, have hereunto set our hands on October 6, 1997.

  
T. Dennis Barney

  
Gerald J. Ricke


  
William R. Olsen, Jr

## CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Circle G at Highlands West Homeowners Association, an Arizona nonprofit corporation; and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board thereof, held on October 6, 1997.

  
William R. Olsen, Jr., Secretary