



SUN VILLAGE COMMUNITY ASSOCIATION

BYLAWS

**Approved July 24, 2008
Supersedes all previous ByLaws
Effective July 24, 2008**

AMENDED AND RESTATED
BYLAWS OF
SUN VILLAGE COMMUNITY
ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is the SUN VILLAGE COMMUNITY ASSOCIATION hereinafter referred to as the "Association". The location of the principle office of the Association is 17300 N Sun Village Parkway, Surprise, Arizona. Meeting 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.

ARTICLE II

DEFINED TERMS

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 FOR SUN VILLAGE RESORT recorded on February 26, 2008 and recorded as Recording Number 2008-0166595 in the office of the County Recorder of Maricopa County, Arizona (the "Declaration"), as the same may be from time to time amended.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. Annual meetings of the Members shall be held at least once every fourteen (14) months at a time and place as may be determined by the Board of Directors or by a majority vote of the Members voting at any meeting of the Members.

Section 2. Special Meetings. Special Meetings of the Members may be called any time by the President or by a majority of the Board of Directors, or upon written request of the Members who are entitled to vote one-tenth (1/10) of all the votes of the membership.

Section 3. Notice of Annual or Special Meetings of Members. 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 delivering (personally, by mail, facsimile, e-mail, or by any other reasonably reliable method) a copy of such notice not less than ten (10) days nor more than fifty (50) 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 the purpose of the meeting. By attending a meeting, a Member waives any right he may have had to object to the meeting on the basis that the proper notice of the meeting was not given in accordance with these Bylaws or the Arizona statutes.

Section 4. Quorum and Manner of Acting. The presence at a membership meeting of Members, in person or by absentee ballot, entitled to cast one tenth (1/10th) of the votes of the membership shall constitute a quorum for any meeting of the Members, unless a higher quorum is required by these Bylaws or by the Declaration. Unless otherwise provided in these Bylaws or in the Declaration, a vote of the majority of the votes cast shall prevail with respect to any issue presented to the membership.

Section 5. Absentee Ballots. At all meeting of members, each Member may vote in person or by absentee ballot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number and Qualifications. The affairs of this Association shall be managed by a Board of Directors. The board shall manage and govern the affairs of the Association. The Board shall consist of SEVEN (7) Directors. Each Director must be an Owner or a spouse of an Owner. If the Owner is a partnership, corporation or other legal entity under Arizona law, then one of the Owner's partners, directors, or officers may be a Director. If a Lot is held in trust, the trustor may be a Director. No more than one Owner (or spouse of an Owner) from each Lot may serve as a Director at any one time. If an individual or group of individuals owns more than one Lot, no more than one Owner(s) of the Lots (or spouse of an Owner) may serve as a Director at any one time. If a partnership, corporation or other legal entity under Arizona law owns more than one Lot, only one of the Owner's partners, directors, or officers may be a Director.

Section 2. Term of Office. All Directors on the Sun Village Board of Directors may serve an unlimited number of two (2) year terms, subject to the restrictions below. After a Director has served two (2) consecutive two (2) year terms (e.g. four (4) years total), the Member must take a one (1) year absence from the Board before again being eligible to run for the Board. In the case of a Director selected by the Board of Directors to fill an unexpired term (pursuant to Article IV of these Bylaws), such Director is thereafter eligible to serve, if elected, two (2) consecutive two (2) year terms in addition to the partial term already served before the Director will be required to take a one (1) year absence from the Board.

Section 3. Resignation, Removal, and Vacancies. Any Director may resign by delivering written notice of resignation to any Director or officer of the Association. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein and, unless

otherwise specific therein, the acceptance of such resignation shall not be necessary to make it effective. Any Director(s) may be removed from the Board at any time, with or without cause, by a majority vote of all the Members of the Association. In the event of a vacancy caused by the death, resignation, or removal of a Director, his or her successor shall be selected by the remaining members of the Board and such successor shall serve for the unexpired term of his or her predecessor.

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

Section 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 approval of all of 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. Election Panel. The Election Panel shall consist of at least three (3), but no more than seven (7) members. The Board of Directors shall appoint a Chairperson, who may be the Community Manager of the Association, a Member who is not seeking election to the Board, or a Director who is not seeking re-election to the Board. The Chairperson shall appoint the other committee members, and shall attempt to appoint members who represent a cross section of the community. If the Board determines that one or more members of the Election Panel are not operating in compliance with the Declaration, the Articles, these Bylaws, or Arizona law, the Board may remove one or more members of the Election Panel and may thereafter appoint a replacement. The Election Panel shall, with the assistance of the Association's staff, be responsible for all aspects of the electoral process, which shall include acceptance of all nominations or self-nominations submitted by any Member of the Association. This panel shall be formed at least ninety (90) days prior to each annual meeting, and shall serve until the close of the annual meeting.

Section 2. Election. The Members shall elect the Board of Directors for the forthcoming year by a plurality vote, with the Directors receiving the most votes being elected. Election to the Board of Directors shall be by secret written ballot in accordance with any rules and guidelines adopted by the Board. All notices for written ballot shall contain the number of responses necessary to meet the quorum requirements, and the date by which the ballot must be received by the Association to be counted. For such election, members may cast as many votes as they are entitled to exercise under the provisions of the Declaration. The Election Panel shall designate the place(s) and time(s) where Members will be entitled to vote for the election of Directors in person, and such voting shall conclude in the week directly preceding the annual meeting with election results reported only at the annual meeting of the Members.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Open Meetings. All meetings of the Board of Directors shall be open, unless, by Arizona law, the Board is permitted to hold a closed meeting.

Section 2. Regular Meetings. Regular meetings of the Board of Directors may be called at regular intervals at such place and hour as may be fixed by resolution of the Board. However, meetings of the Board of Directors shall be held at least quarterly.

Section 3. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by a majority of the Board of Directors after not less than three (3) days notice to each Director.

Section 4. Notice of Regular and Special Meetings of the Board of Directors. A schedule of regular meetings of the Board of Directors may be made available at the Association office and the Recreation Center following the first meeting of the new Board each year. Notwithstanding the foregoing, notice of regular and special meetings of the Board will be posted in the Association office and the Recreation Center at least forty-eight (48) hours in advance of the Board meeting unless emergency circumstances otherwise require a Board meeting to held on less than forty-eight (48) hours notice.

Section 5. Waiver of Notice. Before, at, or after any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him or her of the time and place thereof.

Section 6. Quorum. A majority of the number of Directors currently in office 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. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common areas, the personal conduct of the Members and their guests, and any other matters contemplated by the Declaration or Articles of Incorporation and to establish penalties for the infraction thereof;

- (b) suspend the voting rights and Common Area use rights of any Member (including turning off the transponders or other automatic gate access devices) (i) for any period during which any Assessment against the Member's Lot or Parcel remains delinquent; (ii) for a period not to exceed 60 days for any infraction of this Declaration, a Tract Declaration, the Sun Village Rules or applicable architectural regulations, and (iii) for successive 60-day periods if any such infraction is not corrected during any prior 60-day suspension period. Members, however, shall still have access to the Property through the guard-gated access points;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles or the Declaration;
- (d) fill any vacant seat on the Board of Directors caused by death, resignation, or removal of a Director by the Board, to serve the unexpired term of the said Director;
- (e) employ a Community Manager, independent contractors, vendor companies, or such other employees as deemed necessary or desirable and to prescribe the duties of such persons;
- (f) provide for the indemnification of its officers, committee members and Directors and maintain Directors' and officers' liability insurance; and
- (g) impose charges for the late payment of assessments and, after notice and an opportunity to be heard, impose reasonable monetary penalties upon Owners for violations of the Declaration, Articles, Bylaws and the Sun Village Rules, as well as any violations of architectural control procedures and approval requirements.

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

- (a) cause to be kept a complete record of all its acts and corporate affairs and to make such records available for review and copy by Members, except to the extent such records may be withheld by law;
- (b) elect and remove the officers of the Association as hereinafter provided and to 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) estimate the amount of the annual budget and to fix the amount of the Annual Assessment against each Lot or Parcel; and

- (2) take such action as and when the Board deems such action appropriate to foreclose the Assessment Lien against any property for which assessments are not paid and/or to bring an action at law against the Member personally obligated to pay the same. The Association's choice to pursue one or more remedies shall not prevent the Association from exercising any other remedy available to it at law or in equity for the collection of assessments.
- (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 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, as against any bona fide purchaser of, or lender on, the Lot or parcel in question;
- (e) procure and maintain adequate (not less than one million dollars (\$1,000,000.00) liability and hazard insurance on property owned by the Association and to procure and maintain officers and directors liability insurance and any other insurance deemed appropriate;
- (f) cause all officers, employees, and volunteers having fiscal responsibilities to be insured, as it may deem appropriate;
- (g) cause the maintenance responsibilities of the Association set forth in the Declaration to be performed;
- (h) see that a review, compilation, or audit of the Association is performed annually, see that an audit is performed at least bi-annually, and that copies are available to the membership upon request for purchase at the statutory rate; and
- (i) use its best efforts to comply with the intent of the Governance Manual whenever practical and not in violation of Arizona Law or the duties owed to the membership.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The offices of this Association shall be a President, Vice President, Secretary, Treasurer and such other officers as the Board may from time to time by resolution create. The President and Vice President must at all times be Directors; all other officers must be Members of the Association, but need not be Directors.

Section 2. Election of Officers. The elected Board of Directors shall elect officers at the first Board meeting following the election of Directors.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year or until his or her successor shall have been elected and qualified, unless he shall be removed or otherwise disqualified to serve.

Section 4. Special Offices. 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 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 any later time specified therein and, unless otherwise specific 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 replaced.

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 pursuant to Section 4 of this Article.

Section 8. Duties. Except as otherwise provided by resolution of the Board and except to the extent such duties are delegated to an Community Manager, the duties of the officers are as follows:

- (a) President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all notes, leases, mortgages, deeds and other written instruments on behalf of the Association; and in the absence of the Community Manager, shall be responsible for the general and active management of the business of the Association.
- (b) Vice President: The Vice President shall act in place and stead of the President in the event of his or her absence or inability or refusal to act and shall exercise and discharge such other duties as may be required of him or her by the Board.
- (c) Secretary: The Secretary shall record, or cause to be recorded, the motions and votes; approve and sign the minutes of all meetings and proceedings of the Board and of the Association membership; insure that notice of meetings of the Board and of the Members is provided in accordance with Board policies and applicable Arizona law; insure that

appropriate current records, including records showing the Members of the Association together with their addresses, are kept on file in Association office, and perform such other duties as required by the Board.

- (d) Treasurer: The Treasurer shall work closely with the Community Manager insuring that all monies received are deposited in appropriate bank or investment accounts; financial statements are reviewed for accuracy; appropriate financial reports are given at regular Board Meetings and the Annual membership meeting; quarterly investment reports are given by the investment firm's account manager; periodic reviews are made on investments by the Board (no investment decisions are made by the Treasurer); periodic review of the reserve study is made; assistance is given to the development of the cCapital and operations budgets; and perform other such duties as requested by Board Resolution. In the absence or unavailability of the Community Manager, and at the direction of the President, the Treasurer shall assume active management of the financial affairs of the Association.

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint and charter various committees and their chairpersons, as deemed appropriate in carrying out the purposes of the Association. The Architectural Committee shall be composed of five (5) members, which shall be appointed as further provided in the Declaration.

ARTICLE X

BOOKS AND RECORDS

The books, records, and papers of the Association, except those which may be withheld from disclosure pursuant to law, shall be subject to inspection by any Member and copies thereof may be purchased at the cost permitted by law. The Declaration, the Articles, the Bylaws, Sun Village Rules and Architectural Guidelines of the Association shall be available for inspection by any Member or prospective buyer at the principal office of the Association, where copies may be purchased at the cost permitted by law.

ARTICLE XI

ASSESSMENTS

Section 1. As more fully provided in the Declaration, each Member is obligated to pay to the Association Annual Assessments, Special Assessments, Maintenance Charges, and Capital Preservation Assessments which are secured by a continuing lien upon the Lot against which the assessment is made and the personal obligation of the Owner of the Lot. Any assessments which

are not paid when due shall be delinquent. If the assessment is not paid fifteen (15) days after the due date, the assessment shall bear interest and a late fee may be charged as established by the Board of Directors in accordance with the Declaration, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the Lot, as provided in the Declaration. Interest costs, late fees and reasonable attorney's fees of any such action shall be added to the amount of such assessment and shall be a continuing servitude and lien upon the Lot. No Owner may waive or otherwise escape liability for the Assessments provided for herein by nonuse of the Common Area or abandonment of the Owner's Lot or Parcel.

ARTICLE XII

AMENDMENTS

These Bylaws may be amended from time to time by a majority vote of the Board of Directors. The Bylaws may also be amended at a regular or special meeting of the Members by a vote of a majority of the Members eligible to vote in person or by absentee ballot. If a Bylaw amendment is proposed by a Member or Members, it shall not be voted on at the annual meeting or at a special meeting of the Members unless prior written notice of the proposed changes, along with a petition for amendment endorsed by at least twenty-five percent (25%) of the Members eligible to vote, has been submitted to the Board of Director at least sixty (60) days prior to said meeting. Thereafter, notice of a proposed Bylaw amendment will be presented to the membership by inclusion with the notice of meeting and election ballot.

ARTICLE XIII

INTERPRETATION

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the event of any conflict between the Declaration and a "Governance Manual" approved by the membership, the Declaration shall control. In the event of any conflict between the Articles of Incorporation and a "Governance Manual" approved by the membership, the Articles of Incorporation shall control. In the event of any conflict between the Bylaws and a "Governance Manual" approved by the membership, the Bylaws shall control.

ARTICLE XIV

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.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting President of the SUN VILLAGE COMMUNITY ASSOCIATION, an Arizona non-profit corporation and that the foregoing Bylaws constitute the Amended and Restated Bylaws of said Association, as adopted by the Board of Directors thereof, on JULY 24,, 2008.

IN WITNESS WHEREOF, I have hereunto subscribed my name JULY 24, 2008.

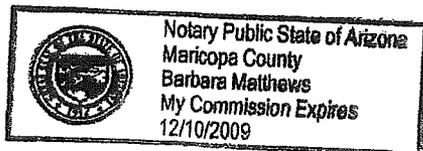
By *Ken Johanson*
Ken Johanson, President

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State of Arizona)

County of Maricopa)

Subscribed and sworn before me this 24 day of July 2008.



Barbara Matthews
Notary Public