

BY-LAWS
GREEN VALLEY FAIRWAYS PROPERTY OWNERS ASSOCIATION
ADOPTED JUNE 2, 1966, AMENDED JANUARY 6, 1971, NOVEMBER 10, 1997

ARTICLE I
DEFINITIONS

SECTION 1. "Corporation" shall mean and refer to the Green Valley Fairways Property Owners Association, a non-profit corporation organized and existing under the laws of the State of Arizona.

SECTION 2. "The Properties" shall mean and refer to the Green Valley Fairways Unit No. 1, as recorded on the Book of Maps and Plats, Book 16, Page 94, in the office of the County Recorder, Pima County, Arizona and Green Valley Fairways Unit No. 2, as recorded on the Book of Maps and Plats, Book 17, Page 97, in the office of the County Recorder, Pima County, Arizona and Green Valley Fairways Unit No. 3, as recorded on the Book of Maps and Plats, Book 18, Page 51 in the office of the County Recorder, Pima County, Arizona, and such other Green Valley Subdivisions as may hereafter be developed at Green Valley, Arizona, and made legally subject to the jurisdiction of this Corporation pursuant to the provisions of Article VI of the Articles of Incorporation of the Corporation.

SECTION 3. "Common Properties" shall mean and refer to parks, playgrounds, swimming pools, golf courses, commons, streets, footways, including buildings, structures, personal properties incident thereto, and any other properties owned and maintained by the Corporation for the common benefit and enjoyment of the members of the Corporation.

SECTION 4. "Deed Restrictions" shall mean and refer to the Declaration of Establishment of Conditions and Restrictions, hereto recorded as to Green Valley Fairways Unit No. 1, Unit No. 2, and Unit No. 3 and to be recorded hereafter as to such other Green Valley Subdivisions as may be brought under the jurisdiction of the Corporation.

ARTICLE II
PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

SECTION 1. Each member shall be entitled to the use and enjoyment of the common properties and facilities as provided by the Deed Restrictions applicable to The Properties, the Articles and the By-Laws of the Corporation.

SECTION 2. Any member may delegate his rights of enjoyment to the common properties and facilities to the members of his family who reside upon the Properties or to any of his tenants who reside therein under a leasehold interest. Such member shall notify the Secretary in writing of the name of any such person and of the relationship of the member to such person. The rights and privileges of such person are subject to suspension to the same extent as those of the member.

SECTION 3. If the Directors have adopted and published rules and regulations governing the use of the common properties and facilities, and the personal conduct of any person thereon, as

provided in Article IV, Section 1, (d), they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days.

ARTICLE III

ELECTION OF DIRECTORS; NOMINATION COMMITTEE, ELECTION COMMITTEE

SECTION 1. Election to the Board of Directors shall be by written ballot. At such election the members or their proxies may cast the number of votes equal to the number of offices to be filled multiplied by the number of lots and/or home sites owned in fee simple title. The persons receiving the largest number of votes for each office shall be elected.

SECTION 2. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the Standing Committees of the Corporation.

SECTION 3. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Corporation.

SECTION 4. The Nominating Committee shall make as many nominations for the election to the Board of Directors as it shall in its discretion determine, but not less than the number of offices to be filled. Such nomination shall be made from among the members of the Corporation. Nominations shall close 37 days before the Annual Meeting.

SECTION 5. All elections to the Board of Directors shall be made on a written ballot, which shall be prepared in advance and contain:

- a) A description of the office to be filled.
- b) The name and detailed biography of those nominated by the Nominating Committee for such offices.
- c) Contain spaces for a write-in vote for members not nominated by the Nominating Committee. Such ballots shall be prepared and mailed by the Secretary to the members at least twenty-five (25) days in advance of the date set forth therein for a return, which shall be a date not later than five (5) days before the annual meeting.

SECTION 6. At least thirty (30) days in advance of the Annual Meeting, each member of record in good standing shall separately be sent as many ballots as he has lots and/or home sites to vote. Notwithstanding that a member may be entitled to several votes, he shall exercise on any one ballot only, the number of votes equal to the number of offices to be filled.

The completed ballot or ballots shall be returned as follows: Each ballot shall be placed in a sealable envelope marked "Ballot", but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot and the members shall be advised that because of the verification procedures of Section VII, the inclusion of more than one ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope or envelopes (if a member or his proxy is exercising more than one vote) shall be placed in another sealable envelope addressed to the Secretary, which shall bear on its face a prefixed label showing the name of the owner or

owners, address and lot number. The mailing envelope shall be returned to the following address: Secretary, Fairways Property Owners Association, P.O. Box 28, Green Valley AZ 85622-0028.

SECTION 7. Upon the receipt of each completed ballot, the Secretary shall immediately place it in a safe or other locked place until the day set for the counting of ballots. On that day, the external envelopes containing the "Ballot" envelopes shall be given, unopened, to an Election Committee which shall consist of five members appointed by the Board of Directors. The Election Committee shall then adopt a procedure, which shall:

- a) Establish that the number of envelopes marked "Ballot" corresponds to the number of votes allowed to the member or his proxy identified on the outside envelope containing them, and
- b) If the vote is by proxy and the proxy has been filed with the Secretary as provided in Article IX, Section 21, and that such proxy is valid. Such procedure shall be taken in such manner that the vote of any member or his proxy shall not be disclosed.
- c) The outside envelopes shall thereupon be placed in a safe or other locked place and the Election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of votes.

If any "Ballot" envelope is found to contain more than one ballot, all ballots contained in such envelope shall be disqualified and shall not be counted. The results of the election shall be announced at the Annual Meeting and unless a review of the procedure is demanded by the members present, the ballots and the outside envelopes shall be destroyed.

ARTICLE IV POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 1. The Board of Directors shall have power:

- a) to call special meetings of the Corporation whenever it deems necessary or upon written request of one-tenth (1/10) of the voting membership, as provided in Article VIII, Section 2, to appoint or remove at pleasure all officers, agents, and employees of the Corporation, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, Officer, or Director of the Corporation in any manner whatsoever,
- b) to establish, assess and collect assessments or charges,
- c) to adopt and publish rules and regulations governing the use of common properties and facilities and the personal conduct of the members and their guests thereon,
- d) to exercise for the corporation, all powers, duties, and authority vested in or delegated to this corporation except those reserved to the members,

e) in the event that any member of the Board of Directors of this Corporation shall be absent from five (5) consecutive regular meetings of the Board of Directors, the board may by action taken at the meeting during which a fifth consecutive absence occurs, declare of said absent director to be vacant.

SECTION 2. It shall be the duty of the Board of Directors:

a) to cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to members at the annual Meeting of the Corporation,

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

c) in relation to assessments:

(1) Prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Corporation and shall be open to inspection by any member,

(2) Send written notice of each assessment to every owner subject thereto.

d) to issue upon demand by any member a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

ARTICLE V DIRECTORS' MEETINGS

SECTION 1. A regular meeting of the Board of Directors shall be held at least once a calendar month. Regular meetings in June, July, and August may be suspended by a 2/3 vote of the Board of Directors.

SECTION 2. Notice of such regular meeting is hereby dispensed with. If the day for the regular meeting shall fall upon a holiday, the meeting may be held at the same our on the first day following which is not a holiday and no notice thereof need be given.

SECTION 3. Special meetings of the Board of Directors shall be held when called by the President, the Vice-President or by any two Directors after three (3) days notice to each Director.

SECTION 4. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present, and if either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to the holding of such a meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with corporate records and made part of the minutes of the meeting.

SECTION 5. The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE VI OFFICERS

SECTION 1. The Officers shall be a President, a Vice-President, a Secretary, and a Treasurer elected from the members of the Board of Directors.

SECTION 2. The Officers shall be elected by a majority vote of the Directors.

SECTION 3. All Officers shall hold office at the pleasure of the board of Directors.

SECTION 4. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and shall sign all notes, checks, leases, mortgages, deeds and all other written instruments.

SECTION 4. The Vice-President shall perform all the duties of the President in his absence.

SECTION 5. The Secretary shall be ex-officio the Secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for the purpose. He/she shall sign all certificates of membership. He/she shall keep the records of the Corporation. He/she shall record in a book kept for that purpose the names of all members of the Corporation together with their addresses as registered by such members.

SECTION 7. The Treasurer shall receive and deposit in bank accounts all monies of the Corporation and shall disburse such funds as directed by resolution of the Board of Directors, provided however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of the budget adopted by the board. The Treasurer or, in his absence, an Assistant Treasurer appointed by the Board, shall sign all checks and notes of the Corporation, provided that such checks and notes shall also be signed by the President or the Vice-President.

SECTION 8. The Treasurer shall keep proper books of account and submit the Corporation books to an audit at the completion of each calendar year. He shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular meeting.

ARTICLE VII COMMITTEES

SECTION 1. The standing committees of the Corporation shall be:

The Nominating Committee
The Architectural Control/Deed Adherence/Maintenance Committee
The Policy/Publicity/Records Review Committee

Unless otherwise provided herein, each Committee shall consist of a Chairperson and at least two members, all of whom are currently members of the Board of Directors. Fairways Property Owners in good standing may be appointed by the Board. Committees shall be appointed by the

Board of Directors within thirty (30) days following the annual meeting. Committee members serve until successors are appointed.

SECTION 2. The Nominating Committee shall have the duties and functions described in Article III of the By-Laws.

SECTION 3. The Architectural Control/Deed Adherence/Maintenance Committee shall be chaired by the President of the Board. The Architectural Control officers, Deed Adherence officer and Maintenance officer and at least one other Director shall be members of this committee.

a) Approval or disapproval of plans and specifications for the first residence and any other associated structures to be erected on any lot, and any action relative thereto, shall be the function and duty of the Developer's Architectural Committee established pursuant to the recorded Deed residence has been taken over Restrictions. When said by a bona-fide purchaser, the duties and functions of said Architectural Committee with respect to such and any structure thereon shall pass automatically, by assignment and delegation pursuant to the Deed Restrictions, to this Corporation.

b) Thereafter, on any such lot. No building, fence, wall or other structure shall be commenced, erected or maintained, nor shall any exterior addition to or a change be made until the plans and specifications showing the nature, kind, shape, height, materials and location in relation to surrounding structures and topography by the Architectural Control/Deed Adherence/Maintenance Committee and/or the Board of Directors. In the event said Board, or its designated Committee, fail to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, or in any event, if no action to enjoin an addition, alteration or change has been instituted prior to the completion thereof, this Article will be deemed to have been fully complied with.

c) The Architectural Control/Deed Adherence/Maintenance Committee shall watch for any proposals, programs and activities which may adversely affect the residential value of the properties or which may be in violation of any provisions in the recorded Deed Restrictions and shall advise the Board of Directors regarding such matters.

d) The Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair, or improvement of the properties and facilities available to members of the Corporation and shall perform such other functions as the Board, in its discretion, determines.

SECTION 4. The Policy/Publicity/Records Review Committee shall be chaired by the Vice-President.

a) The Policy/Publicity/Records Review Committee shall inform the members of all activities and functions of the Corporation and shall make public releases and announcements as are in the interest of the Corporation. It shall publish 'News & Views', the official publication of the Corporation.

b) The Committee shall examine all the files, records and documents of the Corporation, list those which should be kept and destroy obsolete and useless material with the concurrence of the Board. It shall maintain this review and report periodically to the Board.

c) The Committee shall review past minutes of the Board for policy decisions and create and maintain a reference list of such policies. It shall maintain this review and report periodically to the Board.

SECTION 5. With the exception of the Nominating committee, each committee shall have the power to appoint a sub-committee from among its membership and may delegate to any said sub-committee any of its duties, powers and functions.

SECTION 6. It shall be the duty of each committee to receive complaints from members involving Corporation functions, duties and activities within the field of its responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Director or Officer of the Corporation who would be further concerned with the matter presented. A report shall be submitted to the Board on all complaints and actions taken thereto.

ARTICLE VIII MEETINGS OF MEMBERS

SECTION 1. The regular meeting of the members shall be held in February of each year. Notwithstanding the foregoing, should the board of Directors determine that due to scheduling conflicts or other significant impracticality, the annual meeting cannot be held on the date provided above, then the Board of Directors shall give written notice of the cancellation of said scheduled meeting date and of the new date established for the annual meeting for the year in question. Notice of the cancellation and rescheduling of the annual meeting shall be given as required pursuant to Arizona law with notice mailed or delivered not less than 10 not more than 50 days before the date of the meeting.

SECTION 2. Special meetings of the members for any purpose may be called at any time by either the President, the Vice-President or by a majority of the Board of Directors, or upon written request of the members who have a right to vote one-tenth (1/10) of all the votes of the entire membership.

SECTION 3. Members shall be informed of meetings by sending a copy of the notice through the mail. Mailing may be by third class mail.

SECTION 4. At annual meetings, and any special meetings held to act on matters governed by the Articles of Incorporation, quorum requirements shall be as provided in Article XIX of said Articles. At all other meetings, the presence of not less than one tenth (1/10) of the then current membership, in person and by proxy, shall constitute a quorum.

ARTICLE IX
PROXIES

SECTION 1. At all corporate meetings of members, each member may vote in person or by proxy.

SECTION 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of twelve (12) months, and every proxy shall automatically cease upon sale by the member of his home or other interest in the Properties.

ARTICLE X
BOOKS AND PAPERS

The books, records and papers of the Corporation, shall at all times, during reasonable business hours, be subject to inspection by any member.

ARTICLE XI
AMENDMENTS

SECTION 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of the members present or by proxy, provided that all amendments are consistent with the Articles of Incorporation and the recorded Deed Restrictions.

SECTION 2. In the case of any conflict of the Articles of Incorporation and these By-Laws, the Articles shall control: and in the case of any conflict between the Deed Restrictions applicable to the Properties and these By-Laws, the Deed Restrictions shall control.