

BYLAWS
OF
CHERRY HILLS TOWNHOMES HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is CHERRY HILLS TOWNHOMES HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association". 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.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to CHERRY HILLS TOWN- HOMES HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Elements" shall mean that area designated as such in the Declaration, hereafter defined.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the recorded deed owner, pursuant to the Maricopa County Recorder's Office, whether one or more persons or entities, of the fee simple title to any Unit which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Maricopa County, Arizona, Recorder

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 8. "Board" shall mean and refer to those persons elected or appointed to server as members of the Board of Directors as provided in the Declaration.

Section 8. "Director" shall mean and refer to those persons elected or appointed to server as members of the Board of Directors as provided in the Declaration.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meeting The annual meetings of the Members shall be held on a time and date determined by the Board of Directors.

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 upon written request of the Members who are entitled to vote holding one-fourth ($\frac{1}{4}$) of all of the votes of the Class A membership as provided in the Declaration.

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, at least ten (10) days and not 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, 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, one tenth (1/10) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, 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, until a quorum as aforesaid shall be present or be represented.

Section 5. Absentee Ballot At all meetings of Members, each Member may vote in person or by absentee ballot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number The affairs of this Association shall be managed by a Board of Directors of three (3) Members of the Association. To be eligible to run for the Board of Directors the Member shall be in good standing. To be in good standing the Owner must be current on assessments and other amounts due to the Association as articulated in Section 5.01 of the Declaration, and shall not be in violation of the governing documents.

Section 2. Term of Office The Members shall elect Directors for terms of one year or until their successor is appointed or they resign.

Section 3. Removal Pursuant to Arizona Statute, the Members, by a majority vote of Members entitled to vote and voting on the matter at a meeting of the Members called pursuant to this Section at which a quorum is present, may remove any member of the Board of Directors, with or without cause, other than a member appointed by the Declarant. On receipt of a petition that calls for removal of a member of the Board of Directors and that is signed by the number of Owners who are entitled to cast at least twenty-five percent (25%) of the votes in the Association or one hundred (100) votes in the Association, whichever is less, the Board of Directors shall call and provide notice of a special meeting of the Association. The special meeting shall be called, noticed and held within thirty days after receipt of the petition. For purposes of a special meeting called pursuant to this Section, a quorum is present if the number of Owners to whom at least twenty percent (20%) of the votes are allocated is present at the meeting or as otherwise permitted by law.

Section 4. Compensation No Director shall receive compensation for any service rendered 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 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 may be made by a Nominating Committee that may be appointed by the Board of Directors. If the Board does not appoint a Nominating Committee, the Board of Directors shall serve as the Nominating Committee. Nominations may also be made from the floor at the annual meeting.

The Nominating Committee, if said Committee is appointed by the Board, shall consist of a Chairman, who shall be a member of the Board of Directors, and two 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 appointment shall be announced at each annual meeting. The Nominating Committee, or Board of Directors, 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 nominations may be made from among Members.

Section 2. Election Election to the Board of Directors may be by secret written ballot. At such election the Members 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 permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings Regular meetings of the Board of Directors shall be held monthly with 48 hours notice to the membership as required by Arizona law, at such place and hour as may be fixed from time to time by the Board.

Section 2. Special Meetings Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than 48 hours notice to each Director and to the membership by conspicuous posting or reasonable means.

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 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 Elements and facilities, 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 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 by the Association;

(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 of Incorporation, or the Declaration;

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

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 present a statement thereof to the Members and the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (¼) 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,

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

(e) cause all Officers or employees having fiscal responsibilities to be bonded, -as it may deem appropriate meetings of the Board of Directors; 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 checks and promissory notes.

(f) cause the Common Elements to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices The officers of this Association shall be a President and Vice-President, Secretary and Treasurer who shall at all times be members of the Board of Directors. A Board member may be permitted to simultaneously hold more than one office. The duties and description of the Officers are more fully set forth in Article IX.

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 this Association shall be elected annually by the Board and each shall hold office for one (1) year unless she/he shall sooner 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 may be removed from office with or without cause by the Board. Any Officer may resign at any time 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 remaining Board, and by a sole Director if only one Director remains. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer replaced.

ARTICLE IX

DUTIES OF OFFICERS

Section 1: The duties of each Officer shall include the following, and the Officer may utilize the support of a professional to carry out its duties:

President. The President shall be the chief executive Officer of the Association; shall preside at all meetings of the Board of Directors or the Members; shall see that orders and resolutions of the Board of Directors are carried into effect; and shall generally manage the business of the Association.

Vice-President. The Vice-President shall act in the place and stead of the President in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board of Directors.

Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors 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 of Directors and of the Members; 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 of Directors.

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 of Directors; shall sign checks and promissory notes of the Association; shall keep proper books of account; 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; and, in general, perform all the duties incident to the office of Treasurer.

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 the Bylaws of the Association shall be available for inspection by any Member in accordance with the Planned Community Act, where copies may be purchased for fifteen cents per page.

ARTICLE XI

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: CHERRY HILLS TOWNHOMES HOMEOWNERS ASSOCIATION.

ARTICLE XII
AMENDMENT

Section 1. 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 absentee ballot.

Section 2. 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.

ARTICLE XIII
MISCELLANEOUS

The fiscal year of the Association shall be the calendar year.