

**BYLAWS
OF
ARTESA COMMUNITY ASSOCIATION**

**ARTICLE I
GENERAL**

Section 1: Defined Terms. Capitalized terms used in these Bylaws without definition shall have the meanings specified for such terms in the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Artesa Community Association recorded in the Official Records of the Maricopa County Recorder, as may be amended from time to time (the "Declaration").

Section 2: Purpose. Artesa Community Association is an Arizona nonprofit corporation organized for the purposes stated in its Articles. The principal office of the corporation shall be located at the place designated in the Articles or such other place as may be designated from time to time pursuant to Arizona law, but meetings of Members and the Board may be held at such places as may be designated by the Board.

Section 3: Conflicting Provisions. Should any provision of these Bylaws be inconsistent or conflict with any provision of the Declaration, such provision of the Declaration shall supersede and take precedence over any such provision of these Bylaws. Should any provision of these Bylaws be inconsistent or conflict with any provision of the Articles, such provision of the Articles shall supersede and take precedence over any such provision of these Bylaws.

Section 4: Application of Bylaws. All present and future Owners, Residents, occupants and their respective licensees, invitees and employees shall be subject to and be bound by all of the provisions of these Bylaws. The act of ownership or the mere occupancy of a Lot shall establish a conclusive presumption that these Bylaws are accepted, ratified and will be complied with by such Owner, Resident, or occupant.

Section 5: Designation of 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 every year, except that the first fiscal year shall begin on the date of incorporation.

Section 6: Books and Records. The Association shall comply with A.R.S. § 33-1805 with respect to the availability of the Association's financial and other records.

Section 7: Obligation of Association to Disclose Information to Purchasers. Except for a sale of a Lot from Declarant or a Designated Builder to a Purchaser or an exempt sale pursuant to A.R.S. § 32-2181.02, the Association shall comply with the disclosure requirements set forth in A.R.S. § 33-1806.

Section 8: Indemnification. The Association shall have the power to indemnify its Members, directors, officers, employees and agents to the extent and in the manner provided for in A.R.S. § 10-3101, et seq., as amended from time to time.

Section 9: Captions and Titles. All captions, titles, or headings of the Articles and Sections in these Bylaws are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent of context thereof. Unless otherwise specified, all references in these Bylaws to Articles or Sections are to Articles and Sections of these Bylaws.

ARTICLE II MEMBERS

Section 1: Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the first close of escrow of a Lot by a Purchaser within the Property at such hour and at such place as may be specified in a written notice of such meeting, and each subsequent regular annual meeting of the Members shall be held each year at such place as may be designated in the written notice of such meeting.

Section 2: Special Meetings. A special meeting of the Members shall be promptly scheduled by the Board in response to:

- (a) the President,
- (b) the vote of the Board itself, or

(c) a written petition for a special meeting signed by Members representing at least twenty-five percent (25%) of the total voting power of the Members entitled to vote on the matter to be considered at the special meeting, which petition must state the specific purpose of the special meeting. For purposes of determining whether the 25% requirement has been met, the record date is the close of business on the 30th day before delivery of the petition.

Section 3: Notice of Meetings. Unless otherwise specified in the Declaration, notice of annual and special meetings of the Members shall be given by the Board to Members not less than ten (10) nor more than fifty (50) days before the date of the meeting. Notice shall be hand-delivered or sent prepaid by United States mail to the mailing address for each Lot, Parcel or Owner or to any other mailing address designated in writing by a Member. The notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called. Any Member may waive notice of any meeting before, during or after the meeting.

Section 4: Quorum. Unless otherwise specified in the Declaration, a quorum of Members for annual and special meetings shall be constituted by twenty percent (20%) of the Members represented in person or by absentee ballot. Unless the vote of a greater number is required by these Bylaws, the Articles, the Declaration or applicable law, the affirmative vote of the Members holding more than fifty percent (50%) of the total votes entitled to be cast by the Members who are present in person or by absentee ballot at a meeting at which a quorum of Members is present shall be binding as the act of the Members. A meeting of Members shall not be organized and no business of the Association shall be transacted at any meeting of Members, unless a quorum of Members is present at the meeting either in person or by absentee ballot.

Section 5: Absentee Ballots. At all meetings of the Members a vote may be cast in person or by absentee ballot. If absentee ballots are used, any action taken at a meeting of the Members shall comply with terms of this Section. The absentee ballot (i) shall set forth each proposed action; (ii) shall provide an opportunity to vote for or against each proposed action; (iii) is valid for only one specified election or meeting of the Members and expires automatically after the completion of the election or meeting; (iv) specifies the time and date by which the ballot must be delivered to the Board in order to be counted, which shall be at least seven (7) days after the date that the Board delivers the unvoted absentee ballot to the Member; and (v) does not authorize another person to cast votes on behalf of the Member. Votes cast by absentee ballot are valid for the purpose of establishing a quorum.

Section 6: Record Date. For any meeting of the Members, the Board shall fix a date as the record date for determining the Members entitled to notice of the meeting. If the Board fails to fix a record date for any meeting of the Members, the record date for determining the Members entitled to notice of the meeting shall be the business day before the day on which the notice of the meeting is given. The Board shall also fix a date as the record date for determining the Members entitled to vote at a meeting of the Members. If the Board fails to fix such a record date, the Members on the date of the meeting who are otherwise eligible to vote are entitled to vote at the meeting.

A determination of Members entitled to notice of or to vote at a meeting of the Members is effective for any adjournment of the meeting, unless the Board fixed a new date for determining the right to notice or the right to vote. The Board shall fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date that is more than seventy (70) days after the record date for determining Members entitled to notice of the original meeting.

The Board shall fix a date as the record date for the purpose of determining the Members entitled to exercise any rights in respect of any other lawful action of the Members. If a record date is not fixed by the Board, Members at the close of business on the day on which the Board adopts the resolution relating to that record date, or the sixtieth (60th) day before the date of other action, whichever is later, are entitled to exercise those rights.

The record date fixed by the Board under this Section shall not be more than seventy (70) days before the meeting or action requiring a determination of Members. If a court orders a meeting adjourned to another date, the original record date for notice of voting continues in effect.

Section 7: Organization and Conduct of Meeting. All Members attending a meeting of the Members shall register with the Secretary (or such person or persons as may be designated by the Secretary) prior to commencement of the meeting, and all absentee ballots must be filed with the Secretary (or such person or persons as may be designated by the Secretary) prior to commencement of the meeting. After the meeting is called to order by the chair of the meeting, no further absentee ballots shall be accepted. All meetings of the Members will be called to order and chaired by the President of the Association, or if there is no President or if the President is absent or so requests, then by the Vice President. If both the President and Vice President are not present at the meeting, any other officer of the Association or such member of

the Association as is appointed by the Board may call the meeting to order and chair the meeting. The chair of the meeting may appoint any person (whether or not a Member of the Association) to act as recording secretary. The chair of the meeting shall have the authority to determine the order of business to be conducted at the meeting and to establish reasonable rules for expediting the business of the meeting.

Section 8: Action by Written Ballot. Any action that the Association may take at any annual, regular or special meeting of the Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter other than election of directors; and (c) specify the time by which a ballot must be delivered to the Association in order to be counted, which time shall not be less than three (3) days after the date that the Association delivers the ballot. Once the Association has received a written ballot, the ballot may not be revoked. Approval by written ballot pursuant to this Section is valid only if both the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes which would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Section 9: Voting Rights and Requirements. The voting rights of the Members shall be as provided in the Declaration. Unless otherwise provided in the governing documents of the Association, if a quorum is present at a meeting of the Members, the affirmative vote of a majority of the votes represented and voting is the act of the Members.

ARTICLE III BOARD OF DIRECTORS

Section 1: Number and Qualification. The business and affairs of this Association shall be initially managed by a Board of three (3) directors. Until the termination of the Declarant Control Period, the Board shall be appointed by and may be removed solely by Declarant. After the Declarant Control Period, or at such earlier time as Declarant relinquishes its rights to appoint the Board, the directors shall be elected by the Members in accordance with these Bylaws. Prior to the termination of the Declarant Control Period, directors need not be Members of the Association. After the termination of the Declarant Control Period, all directors must be Members of the Association, and the number of directors may be increased to as many as five (5) directors. The number of directors must always be an odd number.

Section 2: Term of Office. Following the termination of the Declarant Control Period, the Members at each annual meeting of the Members shall elect the directors. At the first annual meeting of the Members, at least one (1) director shall be elected for a term of one (1) year; at least (1) director shall be elected for a term of two (2) years; and at least one (1) director shall be elected for a term of three (3) years, and at each annual meeting thereafter, the Members shall elect at least one (1) director for a term of three (3) years so as to stagger the terms of office of the directors.

Section 3: Removal. Members of the Board may be removed in accordance with the Declaration or A.R.S. § 33-1813.

Section 4: Compensation. No director shall receive compensation for any service it may render to the Association; provided, however, that any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties as a director.

Section 5: Action Taken Without a Meeting. Except as otherwise provided by Arizona law, 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 consent of all directors, including, without limitation, taking emergency action or acting on matters that are allowed to be considered by the Board in a closed meeting. Any action so approved shall have the same effect as though taken at a meeting of the directors. Any action taken by the Board pursuant to this Section shall be effective when the last director signs the consent, unless the consent specifies a different effective date.

Section 6: Vacancies. Except with respect to Board members appointed by Declarant, all vacancies in the Board shall be filled by a vote of a majority of the remaining directors, though less than a quorum, or by a sole remaining director. With respect to a vacancy of a director appointed by Declarant, Declarant shall fill such vacancy pursuant to its right to appoint members of the Board as set forth in Article III, Section 1. Any person so elected or appointed shall serve the unexpired portion of the prior director's term.

ARTICLE IV NOMINATION AND ELECTION OF DIRECTORS

Section 1: Nomination. After the termination of the Declarant Control Period, nominations for election to the Board may be made from the floor at the annual meeting by any Member not in default. Nominations may also be made by a nominating committee, which shall consist of a chairman, who shall be a member of the Board, and two (2) or more Members of the Association. If created, the nominating committee shall be appointed by the Board at least forty-five (45) days prior to each annual meeting and shall serve until such annual meeting has been concluded. 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.

Section 2: Election. Election to the Board of Directors shall be by secret written ballot or oral vote. Those candidates for election to the Board receiving the greatest percentage of votes cast at the meeting (or cast by mail, if the election is conducted by mail) shall be elected. Prior to the termination of the Declarant Control Period, all Directors shall be appointed and removed as provided in Article III, Section 1 and as provided in the Declaration, without any vote therefor being held.

**ARTICLE V
MEETINGS OF DIRECTORS**

Section 1: Meetings. If the time and place of a meeting of the Board is fixed by the Board, the meeting is a regular meeting. All other meetings of the Board are special meetings. Regular meetings of the Board may be held with or without notice to the directors of the date, time, place or purpose of the meeting. Meetings of the Board of Directors shall be open to the Members as required by Arizona law. Notice of all meetings (other than emergency meetings) of the Board of Directors shall be provided to the Members as set forth herein.

Special meetings of the Board may be called by the President on two (2) business days' notice to each director, given in writing, by hand delivery, mail or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors.

A director's attendance at or participation in a meeting waives any required notice to the director of the meeting.

A director may participate in a regular or special meeting of the Board through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting, and a director participating in a meeting by such means is deemed to be present in person at the meeting.

Notice of meetings of the Board shall be given to the Members of the Association within such time and in such manner as is required by law.

Section 2: Quorum and Voting. A majority of the prescribed number of directors shall constitute a quorum for the transaction of business. If a quorum is present when a meeting is convened, the quorum shall be deemed to exist until the meeting is adjourned, notwithstanding the departure of one or more directors. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board, unless the Articles or Bylaws require the vote of a greater number of directors.

A director who is present at a meeting of the Board when corporate action is taken is deemed to have assented to the action taken unless either: (a) the director objects at the beginning of the meeting or promptly on the director's arrival to holding it or transacting business at the meeting; (b) the director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (c) the director delivers written notice of the director's dissent or abstention to the presiding officer of the meeting before its adjournment or to the Association before 5:00 P.M. on the next business day after the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

A director may vote in person or by proxy, pursuant to Arizona Revised Statutes §10-3824, as it may be amended from time to time.

Section 3: Powers and Duties. Subject to any restrictions set forth in the Declaration, the Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or otherwise directed to be exercised and done by the Members or the President. The powers of the Board shall include, but not be limited to, all of the rights and duties of the Board as set forth elsewhere in the Bylaws, the Articles and the Declaration and shall, subject to the restrictions set forth in the Declaration, also include the power to promulgate such rules and regulations pertaining to the rights and duties of Members of the Association, and all other matters, as may be deemed proper and which are consistent with the foregoing. The Board may delegate to one or more committees and to officers, employees or agents of the Association, such duties and powers, all as appears to the Board to be in the best interests of the Association and to the extent permitted by law; provided, however, that no such delegation shall relieve the Board of its obligation to perform any such delegated duty.

ARTICLE VI OFFICERS AND THEIR DUTIES

Section 1: Enumeration of Officers. The officers of this Association (the "Officers") shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other Officers as the Board may from time to time provide for by resolution.

Section 2: Election of Officers. Following the termination of the Declarant Control Period, the election of Officers shall take place at the first meeting of the Board of Directors, held no later than sixty (60) days 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 such Officer shall sooner resign, or shall be removed or otherwise be disqualified to serve.

Section 4: Special Appointments. The Board may elect such other Officers as the affairs of the Association may require, each of who 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. 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 a majority of the remaining Directors though less than a quorum. The Director or Officer appointed to such vacancy shall serve for the remainder of the term of the Director or Officer replaced.

Section 7: Duties. The duties of the Officers are as follows:

- (a) **President** – The President shall be the chief executive officer of the Association and shall supervise all of the business and affairs of the Association. He shall, when present, preside at all meetings of the Members and all meetings of the Board of Directors. He may sign, with or without any other Officer of the Association as authorized by the Board, deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other Officer or agent of the Association or shall be required by law to be otherwise signed or executed. He shall have the power to appoint and remove one or more administrative Vice Presidents of the Association and such other assistants to the various elected Officers of the Association as is necessary for the accomplishment of their duties. In general, he shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board.
- (b) **Vice President** – In the absence of the President, or in the event of his death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. Otherwise, the Vice President shall perform only such duties as may be assigned by the President or by the Board.
- (c) **Secretary** – The Secretary shall keep the minutes of all meetings and proceedings of the Board of Directors and the minutes of all meetings of the Members in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws, or as required by law; be custodian of the records and see that the documents are properly executed when such is duly authorized; keep or cause to be kept under its general supervision by a registrar or Agent appointed by the Board, a register of the name and post office address of each Member as furnished by such Member; have general charge of the books of the Association; and in general perform all duties incident to the office of the Secretary and such other duties as may be assigned by the President or by the Board.
- (d) **Treasurer** – The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all monies in the name of the Association in such banks, trust companies or other depositories as shall be directed by the Board; shall sign all checks and promissory notes of the Association, except in those instances where the Board has delegated the authority to sign checks to an Agent employed by the Association; shall keep proper books of account; shall cause an annual audit or review of the books of the Association 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 Members at the regular annual meeting of the Members, and shall deliver a copy of such to the Members; and shall perform such other duties incident to the office of Treasurer.

Section 8: Committees. The Board shall appoint committees as the Board may deem appropriate to carry out the purposes of the Association.


**ARTICLE VII
AMENDMENTS**

These Bylaws may be changed, modified or amended, at a regular or special meeting of the Members, by sixty-seven percent (67%) of the votes cast by the Members who are present in person or by absentee ballot at a regular or special meeting called for that purpose; provided, however, that Declarant may amend these Bylaws during the Declarant Control Period for any purpose, without a vote of the Members and without the consent or approval of any Owners or Members, or any other Person. The Board, without a vote of the Members, may amend these Bylaws in order to conform the Bylaws to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration, or any federal, state or local government agency whose approval of the Project, the Plat or the Declaration is required by law or as provided under the Declaration. These Bylaws may not be amended if such Amendment would be inconsistent with the Declaration or the Articles. Prior to the termination of the Declarant Control Period, any amendment to these Bylaws must be approved in writing, in the same manner as amendments to the Declaration are approved, as provided in the Declaration.

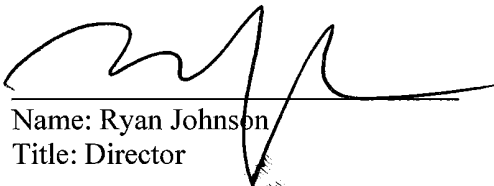
IN WITNESS WHEREOF, the undersigned Directors of Artesa Community Association have hereunto set their hands to evidence their adoption of these Bylaws as of this 4th day of November, 2013.



Name: Ken Dohrn
Title: Director



Name: Steven Moore
Title: Director



Name: Ryan Johnson
Title: Director