

BYLAWS
OF
THE SANCTUARY AT SARIVAL VILLAGE

ARTICLE I
Identity

Section 1. The Association. These Bylaws shall govern the operation of the Sanctuary at Sarival Village Association, an Arizona nonprofit corporation (the “**Association**”).

Section 2. Terms. Capitalized terms used in these Bylaws without definition shall have the meanings specified for such terms in the Arizona Planned Communities Act, A.R.S. § 33-1801, *et seq.*, and the Declaration of Covenants, Conditions, and Restrictions for the Sanctuary at Sarival Village, recorded in the official records of the County Recorder of Maricopa County, Arizona, as amended from time to time.

Section 3. Priority of Declaration. The provisions of the Declaration and the Articles shall have priority over the Bylaws, and any provisions of the Bylaws which are contrary to or inconsistent with the Declaration or the Articles shall be void to the extent of such inconsistency. In the case of a conflict between the Declaration and the Articles, the Declaration shall control.

Section 4. Principal Office. The principal office of the Association shall be located at the known place of business of the Association designated in the Articles or such other place as the Association may designate from time to time in accordance with the Arizona nonprofit corporation act, but meetings of members and directors may be held at such other place within the State of Arizona as may be designated by the Board.

ARTICLE II
Membership

Section 1. Members. Membership in the Association shall be as set forth in the Declaration, the Articles and these Bylaws.

Section 2. Annual Meetings. Annual meetings of the members shall be held each year and within at least fourteen (14) months from the prior annual meeting. Annual meetings shall be held on such dates and times as shall be designated by the Board of Directors.

Section 3. Location of Meetings. All meetings of the members shall be held at such date, place and time as shall be designated by the Board.

Section 4. Special Meetings. A special meeting of the members shall be promptly scheduled by the Board in response to:

- (a) the President;
- (b) a decision by the Board; 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 5. Record Date. For any meeting of the members, the Board of Directors may fix a date not more than fifty (50) days before the date of the meeting, as a record date for the determination of the members entitled to vote at the meeting. If the record date has not been fixed in advance of a meeting as provided herein, the time of commencement of such meeting shall be deemed the record date.

Section 6. Notice of Meetings. Notice of annual and special meetings of the members shall be given by the Board of Directors 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 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 7. Voting. The voting rights of the Members shall be as provided in the Declaration.

Section 8. Quorum. Except as otherwise set forth in the Declaration, the Articles or these Bylaws, a quorum of Members for annual and special meetings shall be constituted by Members entitled to cast twenty-five percent (25%) of the votes in the Association represented in person or by absentee ballot. Unless the vote of a greater number is required by the Declaration, the Articles, or these Bylaws or by applicable law, the affirmative vote of members holding more than fifty percent (50%) of the Eligible Votes cast by members at a meeting at which a quorum is present shall be binding as the act of the members. Votes cast by absentee ballot or some other form of delivery are valid for the purpose of establishing quorum.

Section 9. Method of Voting. All issues presented at any annual or special meeting for a vote by the members shall be voted upon in writing. Members shall have the opportunity to vote in person at the meeting or by absentee ballot. The Board shall also have the discretion to allow members to vote by some other form of delivery. Written ballots shall only be in the form selected and made available by the Board. The form of ballot shall provide Owners with the opportunity to vote for or against each proposed action, including the election of a director.

Section 10. Action by Written Consent. Pursuant to Arizona law, including, but not limited to, A.R.S. § 10-3704, as amended from time to time, the Members may approve any action required or permitted by law that requires the Members' approval without a meeting of the

Members if the action is approved in writing by Members holding at least a majority of the voting power in the Association, unless the Declaration, Articles, these Bylaws or applicable law require a different amount of voting power. The action shall be evidenced by one (1) or more written consents describing the action taken, signed by those Members representing at least the requisite amount of the voting power, and delivered to the Association for inclusion in the minutes or filing with the corporate records of the Association.

ARTICLE III **Board of Directors**

Section 1. Number and Qualification. The affairs of this Association shall be managed by an initial board of directors consisting of three (3) members. During the Declarant Control Period, the Declarant shall have the right to appoint and remove the members of the Board of Directors who do not have to be Owners. After the expiration of the Declarant Control Period, the Association shall be managed by a board of directors consisting of three (3) members, all of whom must be Owners elected by the Members of the Association. No more than one representative from a particular Lot may serve on the Board at the same time. No individual shall continue to serve on the Board if such individual, or the corporate, partnership or other non-individual member which designated such individual for candidacy as a director, is not entitled to vote or is more than forty-five (45) days delinquent in the payment of an assessment, and such delinquency shall automatically constitute a resignation by such director on the forty-fifth (45th) day of the delinquency.

Section 2. 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 duties of the Board shall include, without limitation:

- (a) opening bank accounts on behalf of the Association and designate the signatories thereon;
- (b) designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair, replacement of the Common Area and providing services for the Members, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;
- (c) providing for the operation, care, upkeep and maintenance of all of the Common Area and borrowing money on behalf

of the Association when required in connection with the operation, upkeep and maintenance for the Common Area;

- (d) preparing and adopting a budget for the Association prior to the commencement of each fiscal year and set the assessment for each Lot;
- (e) declaring 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;
- (f) employing, hiring and dismissing such employees as they deem necessary and to prescribe their duties and their compensation;
- (g) causing to be kept a complete record of all its acts and corporate affairs;
- (h) supervising all officers, agents and employees of the Association and seeing that their duties are properly performed;
- (i) levying, collecting and enforcing the payment of assessments in accordance with the provisions of the Declaration;
- (j) procuring and maintaining adequate property, liability and other insurance as required by the Declaration; and
- (k) causing all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate.

Section 3. Term of Office. Directors appointed by the Declarant shall hold office until their successors are elected and qualify. The directors elected after termination of the Declarant Control Period shall be elected by the Members with the director receiving the most votes being elected to a term of three (3) years, the director receiving the next most votes being elected to a term of two (2) years and the director receiving the next most votes being elected to a term of one (1) year. All directors elected thereafter shall be elected for a term of three (3) years or any other term established by the Board so long as the staggered terms are maintained. Despite the expiration of a director's term, a director shall continue to hold office until the director's successor is elected, designated or appointed and qualified, or until the director's resignation or removal.

Section 4. Resignation. A director may resign at any time by giving written notice to the Board, the President or the Secretary. The resignation of a director 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 a resignation shall not be necessary to make it effective.

Section 5. Vacancies. Vacancies on the Board caused by any reason, other than a vacancy resulting from a removal by a vote of the members, may be filled by vote of the majority of the remaining directors even though less than a quorum, or by the remaining director if there be only one. Each individual so appointed shall fulfill the remaining term of the director he is replacing. In the event no director remains to fill vacancies on the Board, the vacancies shall be filled by a vote of the members at a duly held annual or special meeting. Any vacancy on the Board caused by the removal of a director by a vote of the members shall be filled by a vote of the members at a duly held annual or special meeting.

Section 6. Removal. A member of the Board may be removed in accordance with Arizona Revised Statute §33-1813.

Section 7. Compensation. No compensation shall be paid to directors for their services as directors. Directors and officers, however, may be reimbursed for any actual expenses incurred in connection with their duties as such officers or directors.

Section 8. Regular Meetings. Regular meetings of the Board shall be held at such time and place as the Board shall determine. Notice to directors of regular meetings shall be delivered by telephone, mail, e-mail, or facsimile to each director not less than forty-eight (48) hours prior to the meeting. Notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. Notice to members of regular meetings of the Board shall be given at least forty-eight (48) hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board.

Section 9. Special Meetings. Special meetings of the Board may be called by the President. Special meetings of the Board shall also be called by the President upon the written request of at least two of the directors other than the President. Notice to directors of special meetings shall be delivered to each director by mail, telephone, e-mail, or facsimile. Notice to directors of special meetings shall be given not less than forty-eight (48) hours prior to the special meeting unless emergency circumstances necessitate a meeting before such notice can be given. Notice of any such meeting need not be given to any director who signed a waiver of notice or a written consent to holding of the meeting. Notice to members of special meetings of the Board shall be given at least forty-eight (48) hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board, unless emergency circumstances necessitate a meeting before forty-eight (48) hours' notice can be given. Notice to directors of special meetings shall state the time, place and purpose of the meeting. Special meetings of the Board shall be held at such time and place as the Board shall determine.

Section 10. 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 deemed to be a waiver of notice by him, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 11. Meetings Open to Members. Regular and special meetings of the Board are open to all members in accordance with A.R.S. § 33-1804 and may be closed only to the extent permitted by law.

Section 12. Quorum. A majority of the Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board there be less than a quorum present, a majority of those directors present may adjourn the meeting from time to time. No business of the Board shall be transacted at any meeting of the Board unless a quorum is present. Every act or decision done or made by a majority of the directors at a duly held meeting at which a quorum is present shall be regarded as the act of the Board unless the Articles, the Bylaws or the Declaration otherwise specifically requires the affirmative vote of a different number of directors on a specific matter.

Section 13. Telephonic Participation. Meetings of the Board, whether regular or special, may be held by means of a conference telephone call if a speakerphone is available in the meeting room that allows all parties attending to hear all parties who are speaking during the meeting.

Section 14. Director Proxies. At any meeting of the Board of Directors, a Board member may vote in person or by proxy pursuant to A.R.S. § 10-3824, as may be amended.

ARTICLE IV

Officers

Section 1. Designation and Qualification. The principal officers of the Association shall be a President, a Secretary, and a Treasurer. The Directors may appoint such other officers as in their judgment may be necessary. Any individual holding the office of President, Secretary, or Treasurer must be a Director.

Section 2. Election and Term of Officers. The officers of the Association will be elected annually by the Board of Directors at the first meeting of the Board of Directors after the annual meeting of the members. If the election of officers will not be held at such meeting, such election will be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the Board of Directors.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected.

Section 4. Resignation of Officers. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. The resignation of an officer 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 a resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office may be filled by vote of a majority of the Board. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the members of the Association and of the Board. He shall have all of the general powers and duties that are normally vested in the office of the President of a corporation. The President shall also have such other powers as provided for in the Declaration.

Section 7. Secretary. The Secretary shall be responsible for the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members. The Secretary shall have responsibility for the membership books and such other books and papers as the Board may direct; and the Secretary shall, in general, perform all the duties incident to the office of the Secretary.

Section 9. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for assuring that full and accurate accounts are kept of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for overseeing the deposit of all moneys and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board.

ARTICLE V **Committees**

Section 1. General. The Board may establish and appoint committees from time to time as the Board decides is appropriate to assist in the conduct of the affairs of the Association. 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. Committee members serve at the Board's discretion for such periods as the Board may designate by resolution or committee charter; provided, however, any committee member, including the committee chair, may be removed by the vote of the majority of the Directors.

ARTICLE VI **Miscellaneous**

Section 1. Execution of Corporate Documents. With the prior authorization of the Board, all notes, checks and contracts or other obligations shall be executed on behalf of the Association by such one or more Directors or officers of the Association as said Board shall designate.

Section 2. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board.

Section 3. Notice. The address of the Association for purposes of any notice required or permitted under the Bylaws or the Declaration shall be the address of record for the Association on file with the Arizona Corporation Commission.

Section 4. 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. §10-3101m, *et. seq.*, as amended from time to time.

ARTICLE VIII
Amendment of the Bylaws

Section 1. Amendment. These Bylaws may be amended by the affirmative vote or written consent of not less than fifty percent (50%) of the Lots. The Declarant may amend these Bylaws at any time 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.

IN WITNESS WHEREOF, the undersigned Director(s) hereby adopt these Bylaws as of this 5TH day of FEBRUARY, 2019

M. Construction LLC, an Arizona limited liability company

By: [Signature]

Its: MANAGER

STATE OF ARIZONA

County of Maricopa

On this 5th day of February, 2019, before me the undersigned officer, personal appeared Michael D. Brown, who acknowledged himself to be the Authorized Agent of M. Construction, LLC, an Arizona limited liability company, and acknowledged that he executed the foregoing instrument for the purposes therein contained for and on behalf thereof.

Heather Foreman
Notary Public

My Commission Expires: 3/31/2022

