

BYLAWS

OF

STARR RIDGE

HOMEOWNERS ASSOCIATION, INC.

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STARR RIDGE HOMEOWNERS ASSOCIATION, INC.

1 **Name and Location.** The name of the corporation is STARR RIDGE HOMEOWNERS ASSOCIATION, INC., referred to as the "Association". The principal office of the Association is located in Tucson, AZ. Meetings of Members and Directors shall be held in Pima County, Arizona.

2 **Definitions.** The definitions in these Bylaws shall be the same as the definitions set forth in the Declaration of Covenants, Conditions and Restrictions for Starr Ridge recorded on _____, in Docket _____ at Page _____, *et. seq.*

3 **Membership in the Association and Voting**

3.1 Membership. Every Owner of a Lot which is subject to assessment is a Member of the Association and shall remain a Member for so long as such ownership continues. Each Owner shall have one vote for each Lot owned.

3.2 Right to Vote. In the event that a Lot is owned by more than one Person and such Owners cannot agree on how to cast their votes, they shall not be entitled to vote on the matter in question. If any Owner casts a vote representing a certain Lot, it will conclusively be presumed that the Owner was acting with the authority and consent of all other Owners of such Lot, unless an objection is made to the Board, in writing, at or prior to the time the vote or votes are cast. In the event more than one Person casts or attempts to cast a vote for a particular Lot all the votes are void.

3.3 Suspension of Voting Rights. The voting rights of any Owner are automatically suspended during any period in which the assessment against the Lot remains unpaid, any other sums due to the Association have not been paid, or if the Owner is in violation of the Governing Documents. Those Owners whose voting rights have not been suspended are referred to as being "entitled to vote".

4 **Meetings of Members**

4.1 Annual Meetings. The annual meeting of the Members shall be held during the month of March of each year at a date and time selected by the Board.

4.2 Special Meetings. Special meetings of the Members may be called at any time by the President, by a majority of the Board, or upon the written request of 25% of the Members who are entitled to vote.

4.3 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. The notice shall be mailed by first class mail, postage prepaid, at least fifteen (15) days before the meeting to all Members of the Association. The notice shall be addressed to the property address, unless the Member has furnished a different mailing address to the Association. This notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

4.4 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary, or any designee of the Secretary's, at least 24 hours before the time set for the scheduled meeting at which the proxy will be used. Proxies are valid for 13 months, or until the date set forth in the proxy, whichever occurs first.

4.5 Quorum. To be present at any meeting, the member must appear either in person or by proxy. The presence of 10% of the Members entitled to vote constitutes a quorum for the transaction of any business. If a quorum is not present the Members shall adjourn the meeting to another date and time, without providing any other notice to the Members except for an announcement at the meeting stating the new date and time. The Members may continue to adjourn the meeting and reset it to another date and time until a quorum is present.

5 **Board of Directors; Selection; Term of Office**

5.1 Number.

5.1.1 During the Class B Membership The Board shall consist of three directors. During the time that there is a Class B Member, the directors shall be appointed by the Declarant and need not be Members of the Association.

5.1.2 After the Expiration of the Class B Membership. At the annual meeting following the expiration of the Class B membership, or following the date that the Declarant waives, in writing, its exclusive right to appoint the board members, the Board shall consist of five directors, each of whom must be either a member of the Association, or a person designated by a partnership, corporation, limited liability company or trust to represent that entity, including the Declarant for so long as it owns any Lots. After the expiration of the Class B membership, the number of directors may be decreased or increased by a vote of the members of the Board. In the event of any increase in the number of Directors, those positions shall be filled by a vote of the Members at the next annual meeting of the Association. If the Board votes to decrease the number of directors, then the positions (or whatever number are being reduced) which are up for election at the next annual meeting shall not be filled.

5.2 Term of Directors. The directors shall be elected at the annual meeting of the members. Each director appointed and elected during the Class B membership shall serve a term of one year. The terms for the five directors elected after the



expiration of the Class B Membership shall be staggered as follows: one Director shall be elected for a one year term; two Directors shall be elected for a two year term; and two Directors shall be elected for a three year term. Thereafter, the directors shall serve three year terms. In the event that the Board increases the number of Directors, the Board shall determine the initial term of that position, so that it is staggered with the other director*s terms.

5.3 Removal. Any Director may be removed from the Board with or without cause by a majority vote of the Members of the Association at any meeting of the Association held for that purpose, so long as a quorum is present at that meeting. The vote may be in person or by proxy. Any Director whose removal has been proposed is entitled to address the Members prior to the vote on the removal. In the event of the removal, resignation or death of a Director, his/her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the Director who was removed.

5.4 Compensation. No Director shall receive compensation for serving as a director of the Association. However, any Director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties. Directors will be reimbursed for any out-of-pocket funds used to pay for previously approved services or materials needed in conducting association business. Nothing contained in this section prohibits a person serving as a director from contracting with the Association to provide services outside of the scope of his/her duties as a director, provided, however, that such services are secured by the Association at the prevailing market rate or lower so as to avoid an conflict of interest by such Director.

5.5 Action Without a Meeting. The Directors have the right to take any action in the absence of a meeting which could have been taken at a meeting by obtaining the written approval of **all** the Directors. Such action has the same effect as though taken at a meeting of the Directors.

6 **Nomination and Election of Directors**

6.1 Nomination. Nomination for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chair, who is a Member of the Board, and two or more Members of the Association (who may also be Directors). The Nominating Committee shall be appointed by the Board prior to the date of the annual meeting of the Members and the names of the Nominating Committee shall be announced at the annual meeting. 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. Nominations must be made from among Members.

6.2 Nominations from the Floor. There shall not be any nominations from the floor.



- 6.3 Election. Election to the Board shall be by secret written ballot, or the slate of candidates may be approved by acclamation. At the election, Members or their proxies may cast one vote for each vacant position. Members receiving the most votes shall be elected. Cumulative voting is not permitted.

7 **Meetings of Directors.**

- 7.1 Regular Meetings. Regular meetings of the Board shall be held at least quarterly at a date, place and hour determined by the Board. All Members may attend any meeting of the Board which is not held in executive session. The Association shall provide notice to the Members of the date, time and place of such meeting at least 48 before to the scheduled meeting, unless there are exigent circumstances requiring that the meeting be held on less than 48 hours.

- 7.2 Special Meetings. Special Meetings of the Board shall be held when called for by the President, or by any two Directors, after not less than three days notice to each Director.

- 7.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Any decision made by a majority of the Directors present at a duly held meeting at which a quorum is present is regarded as the act of the Board.

- 7.4 Attendance of Members at Board Meetings. In accordance with the provisions of A.R.S. Section 33-1804, the meetings of the Board are open to the Members of the Association, unless held in Executive Session, as permitted by law.

8 **Powers and Duties of the Board.**

- 8.1 Powers. The Board has all of the powers of a Board of an Arizona non-profit corporation, subject only to those limitations set forth in the Governing Documents. The Board has the power to do any and all lawful acts which may be authorized by the Governing Documents and any acts which may be necessary or incidental to the exercise of any of the express powers of the Association. In addition to any other powers, the Board has the specific power to:
- 8.1.1 adopt and publish rules and regulations governing the use of the Common Area and the use and occupancy of the Lots and to establish penalties for any infractions of such rules;
 - 8.1.2 employ a manager, an independent contractor, or any employees which the Board deems necessary, and to prescribe their duties;
 - 8.1.3 enter into contracts, whether written or oral, or contract for services for the Association;

- 8.1.4 declare the office of a member of the Board vacant in the event that Director is absent from three consecutive regular meetings of the Board.
- 8.2 Duties. The Board has the duty to:
- 8.2.1 maintain a complete record of all its acts and corporate affairs and to prepare an annual operating budget at least thirty days prior to the end of the fiscal year. The budget shall include reserves for capital items.
- 8.2.2 supervise all officers, agents and employees of the Association and to see that their duties are properly performed;
- 8.2.3 determine the amount of the Annual Assessment against each Lot based upon each Lot's share of the operating budget, in accordance with the provisions of the Declaration;
- 8.2.4 send written notice of the amount of the Annual Assessment to every Owner on or before December 1 of each year for the next year's annual assessment;
- 8.2.5 assert a lien against any Lot for which assessments are not paid within thirty (30) days after their due date and/or bring an action at law against the Owner personally obligated to pay the assessments;
- 8.2.6 provide, upon a request by any Owner, or his/her agent, a certificate setting forth whether or not any assessment has been paid. The Board may charge a reasonable fee for the issuance of the certificate. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- 8.2.7 procure and maintain adequate liability and hazard insurance on property owned by the Association, director's and officer's liability insurance and fidelity insurance on officers or employees who have fiscal responsibilities to the Association, in such amounts as the Board deems appropriate
- 8.2.8 pay all taxes due on property owned by the Association;
- 8.2.9 maintain the Common Area as provided for in the Declaration.
- 8.3 Liability of Board Members. No Member of the Board is personally liable to any Member, his/her family, guests, tenants or assigns for any damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, its representatives or employees provided that such Board Member has, upon the basis of such information as may be possessed by him/her, acted in good faith.

- 9 **Officers and their Duties.**
- 9.1 Enumeration of Offices. The officers of this Association shall be a president and vice-president, a secretary, and a treasurer, who shall at all times be Members of the Board, and such other offices as the Board may from time to time by resolution, create.
- 9.2 Election of Officers. The election of officers shall take place at the first meeting of the Board following the annual meeting of the Members.
- 9.3 Term. The officers of this Association shall be elected annually by the Board and shall hold office for one year unless that officer resigns or is removed or is otherwise disqualified to serve prior to the expiration of the term of office.
- 9.4 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.
- 9.5 Resignation and Removal. Any officer may be removed from office with or without cause by a majority vote of the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. All resignations take effect on the date the notice of resignation is received or at any later date specified in such notice. Unless otherwise specified in the notice, the acceptance of a Director's resignation is not necessary to make it effective.
- 9.6 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 he/she replaces.
- 9.7 Multiple Offices. The office of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any other office, except in the case of special offices created pursuant to this Article.
- 9.8 Duties. The duties of the officers are as follows:
- 9.8.1 President: The president shall preside at all meetings of the Board and the Members; shall carry out the orders and resolutions of the Board; shall sign all leases, mortgages, deeds and other written instruments and agreements and shall co-sign all checks and promissory notes.
- 9.8.2 Vice President: The vice-president shall act in the place 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.
- 9.8.3 Secretary: The secretary shall record the votes and keep the minutes of all



meetings of the Board and Members; provide notice or direct that notice of meetings of the Board and of the Members be mailed in accordance with the provisions of these Bylaws; keep current records of the names and addresses of the Members and perform such other duties as required by the Board.

9.8.4 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; shall sign all checks and promissory notes of the Association; keep proper books of account, cause an annual review of the Association books to be made by an independent committee appointed by the President at the completion of each fiscal year; and with the assistance of the Budget Committee, prepare an annual operating budget and a statement of income and expenditures to be presented to the Members at the annual meeting, and deliver a copy of each to the Members.

9.9 Delegation of Duties. The officers may delegate their duties to a Property Manager hired by the Board, including the collection of assessments, the purchase of services and goods and the payment of expenses of the Association.

10 **Committees.**

10.1 Architectural Committee. As set forth in the Declaration, the Board shall appoint an Architectural Committee.

10.2 Budget Committee. The Board shall appoint at least two Members to the Budget Committee which shall be chaired by the Treasurer. The Budget Committee shall meet as needed and shall prepare the annual budget for the approval of the Board at least 30 days prior to the annual meeting.

10.3 Other Committees. The Board may appoint any other committees it deems appropriate to carry out its functions.

11 **Books and Records.**

The books and records of the Association are available for inspection by any Member. In accordance with the Arizona Nonprofit Corporation Act, any Member who wishes to review these books and records must provide a written request setting forth the proper purpose for the inspection. Upon receipt of the request, the Member shall be entitled to inspect the records during reasonable business hours and to have copies made of any documents, at the Member's expense. The Governing Documents are available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

12 **Amendments.**

During the time there is a Class B Member, the Bylaws may be amended by the



Board. Following the expiration of the Class B Membership, a majority of the Members voting at any regular or special meeting of the Association may amend the By-Laws.

13 **Miscellaneous.**

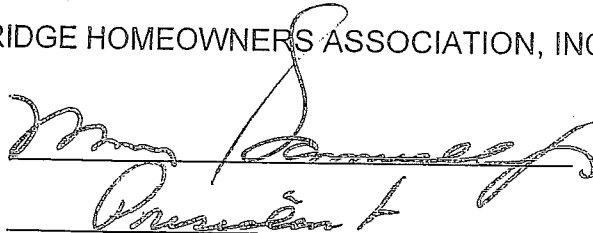
13.1 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year.

13.2 Conflicts between Documents. In the event of any conflict between the Bylaws, Articles of Incorporation and Declaration, the Declaration shall prevail. If there is a conflict between the Bylaws and the Articles of Incorporation, the Articles shall prevail.

These Bylaws were adopted 21st April, 2003

STARR RIDGE HOMEOWNERS ASSOCIATION, INC.

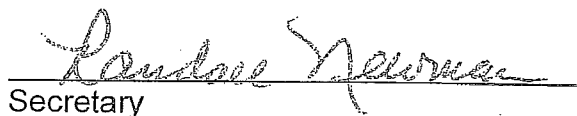
By:



Its:



Attest:


Secretary



**WAIVER OF NOTICE AND CONSENT TO HOLDING OF
THE SPECIAL MEETING OF THE DECLARANT**


The undersigned, the Declarant, Starr Ridge, L.L.C., an Arizona limited liability company, waives notice and consents to the holding of the special meeting of the Declarant on May 23, 2010 at 11:00 a.m., at its offices located at 3573 E. Sunrise Drive, Suite 133, Tucson, Arizona 85718, for the purposes of appointing the Board of Directors for Starr Ridge Homeowners Association, Inc.

DATED: May 23, 2010.

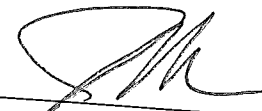
Starr Ridge, L.L.C., an Arizona limited liability company

By: Starr Ridge Managers, L.L.C., an Arizona limited liability company,
Its Manager

By: Benchmark Equities, Inc., an Arizona corporation, Its Member

By: 
Daniel H. O'Connell, President

By: John Herder Building Corporation, an Arizona corporation, Its
Member

By: 
John Herder, President