

**BYLAWS  
OF  
RIO HOMES (An Arizona Corporation)**

**ARTICLE 1  
OFFICES**

The principal office of the corporation in the State of Arizona shall be located at Rio Homes, 323 S River Run Road, Suite 1, Flagstaff, Arizona.

**ARTICLE 2  
PURPOSES, DEFINITIONS, POWERS**

(a) In amplification of the purposes for which the corporation has been formed as set forth in the Articles of Incorporation, the corporation has the purposes of maintenance of the common facilities of the property, and establishing and enforcing rules and regulations for the betterment of the property required or desired within the property for the general use and benefit of all owners.

(b) Definitions

1. "ASSOCIATION" shall mean and refer to RIO HOMES, an Arizona corporation, its successors and assigns.

2. "COMMON FACILITIES" or "FACILITIES" shall include all property held in common ownership, or owned by the Association, including, but not limited to, easements, common walls, and common landscaping.

3. "DEVELOPER" shall refer to AZNORTH DEVELOPMENT, INC their successors and assigns.

4. "OWNER" shall mean and refer to that person or to those persons who are the owners of record fee simple title to the respective units, or where a person has record ownership merely as security for the performance of an obligation, shall mean the trustor of such unit.

5. "PROPERTY" shall mean and refer to that certain real property described and set forth in the declaration of Covenants, Conditions, and Restrictions, and the final plat of RIO HOMES and any amendments thereto, together with additions as herein set forth.

6. All definitions in the declaration of Covenants, Conditions, and Restrictions of RIO HOMES are incorporated in these bylaws.

(c) Powers. The Association shall have the power to:

1. Maintain, operate, repair, landscape, plant and otherwise manage all common facilities;

2. Purchase and maintain policies of public liability and hazard insurance with respect to the common facilities;

3. Pay all *ad valorem* real property taxes and all special improvement or other assessment levied and assessed against the facilities;

4. Construct, maintain and operate all community services of any kind and nature required or desired within the property for the general use and benefit of all owners;

5. Employ such personnel as may be deemed necessary by the Association for the construction, operation, maintenance and repair of the common facilities;

6. As hereinafter provided, collect and enforce all regular and special assessments against the owners of units in the property;

7. Indemnify the directors, officers, employees, and agents of the Association, including former directors, officers, employees, and agents to the full extent provided by the Title 10, Arizona Revised Statutes;

8. Perform all acts, which can lawfully be performed by a corporation and are not inconsistent with the Articles of Incorporation, or the Covenants, Conditions, and Restrictions of RIO HOMES, the provisions of Chapter 9, Title 33, Arizona Revised Statutes.

### ARTICLE 3 MEMBERS

(a) Class of Members. The corporation shall have one (1) class of members

(b) Membership. Each and every owner, in accepting a deed or contract for any part of the property, agrees to and shall be a member of the Association and be subject to the Association's duly enacted Articles of Incorporation, Bylaws, and rules and regulations. Membership in the Association shall be appurtenant to and may not be separated from ownership of any unit.

(c) Voting. The owner of each unit shall be entitled to one (1) vote per unit on all matters requiring or allowing a vote of the members of the Association.

(d) Multiple Ownership. In the event any unit is owned by more than one (1) person, the owners shall collectively be considered as a single member of the Association, and shall be entitled to only one (1) vote, subject to the provisions of the ARS 33-1250, as amended from time to time. AZNORTH Development, Inc reserves the right to have one (1) vote per unit owned.

### ARTICLE 4 MEETINGS OF MEMBERS

(a) Annual Meeting. An annual meeting of the members for the purpose of hearing reports from all officers and standing committees and election of directors shall be held in the County of Coconino, State of Arizona on the second Tuesday of January of each year, or such other date as may be determined by the Board of Directors, at a time and place to be fixed by the directors.

(b) Regular Meetings. In addition to the annual meetings, regular meetings of the members may be had at such time and place as may be determined by the Board of Directors.

(c) Special Meetings. A special meeting of the members may be called by the Board of Directors, or by three (3) members. A special meeting of the members must be called within twenty (20) days by the President, if requested by the Board of Directors, or requested in writing by three (3) members.

(d) Notice of Meetings. Notice stating the place, day and hour of any meeting of members shall be published as widely as is practical to promote attendance at such meeting.

(e) Quorum. A majority of the members shall constitute a quorum for the transaction of business at any meeting of the members, but if less than a majority of the members are present at said meeting, in person or by proxy, a majority of the members of the board present may adjourn the meeting from time to time and without further notice.

(f) Proxies. Any member of the Association entitled to vote at any meeting may be represented and vote at such meeting by a proxy appointed by an instrument in writing signed by him or by his duly authorized agent or attorney-in-fact.

## ARTICLE 5 BOARD OF DIRECTORS

(a) General Powers. The affairs of the Corporation shall be managed by a Board of Directors consisting of the directors as hereinafter set forth.

(b) Election. The directors shall be elected for the term hereinafter set forth by a majority of the members. Such election shall be held at the annual meeting set forth by Article 4.

(c) Number, Tenure and Qualifications. The number of directors shall be three (3), who are members of the Association. A board member may be elected without being an owner of a lot in the Association. Each director shall hold office from the date of the meeting at which he is elected until his successor shall have been elected and qualified. One (1) director shall be elected at each annual meeting to serve a term of three (3) years. One (1) director elected first after adoption of these bylaws shall hold office for one (1) year and one (1) director shall be elected to serve for two (2) years. Any increase in the number of directors shall be in units of three (3), and their initial terms shall be one (1) for one (1) year, two (2) years and three (3) years with the determination to be by the Board of Directors.

(d) Regular Meetings. The Board of Directors shall meet regularly at least once a year, at a time and place it shall select.

(e) Special Meetings. A special meeting of the Board of Directors may be called by or at the request of the president or of any member of the board.

(f) Notices. Notice of any special meeting of the Board of Directors shall be given at least ten (10) days prior thereto, by written notice delivered personally or sent by mail to each member of the Board of Directors or the board may waive notice of any meeting.

(g) Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the board, but if less than a majority of the members of the board are present at said meeting, a majority of the members of the board present may adjourn the meeting from time to time and without further notice.

(h) Manner of Acting. The act of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

(i) Vacancies. Any vacancy in the Board of Directors or in the officers of the Association caused by the death, resignation, removal or other disqualification of a director or an officer may be filled by a majority vote of the remaining directors by the election of some other member who shall hold such office of director or officer for the unexpired term. However, prior to such action by the board, the members shall have the right, at any special meeting called for that purpose, to fill any vacancy occurring on the board.

(j) Maximum Debts. No expenditure of funds in excess of five hundred dollars (\$500) for any one bill shall be approved or authorized without majority approval of the Board of Directors.

## ARTICLE 6 OFFICERS

(a) Officers. The officers of the Association shall be a president, a vice president, and a secretary/treasurer.

(1) The officers do not need to be property owners. The officers will usually be a property management firm.

(2) The property owners have the power to hire and fire the property management firm by a majority vote of owners.

(b) Qualifications and Methods of Election. The officers shall be elected by a vote of the Board of Directors from among the membership of the Association at the board meeting following the annual membership meeting, and shall serve for a term of one (1) year. The officers shall begin their terms at the close of the board meeting at which they are elected. If any officer is not also a duly elected director, such officer shall be an *ex officio* member of the Board of Directors.

(c) President. The president shall preside at all meetings of the Association and the Board of Directors at which he is present, shall exercise general supervision of the affairs and activities of the Association, and shall serve as a member *ex officio* of all standing committees and shall execute all properly approved amendments to the declaration of covenants, conditions, restrictions of RIO HOMES.

(d) Vice President. The vice president shall assume the duties of the president during his absence.

(e) Secretary. Secretary shall keep the minutes of all of the meetings of the Association and of the Board of Directors, which shall be an accurate and official record of all business transacted and shall be the custodian of all corporate records, and shall certify and cause to be recorded all properly approved amendments to the declaration of Covenants, Conditions, and Restrictions of RIO HOMES.

(f) Treasurer. The treasurer shall receive all corporate funds accurately and keep them in a bank authorized by the Board of Directors, and pay out funds only on notice signed by him and by one other officer for all sums in excess of one hundred dollars (\$100).

(g) Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, shall be filled by election by the Board of Directors for the unexpired portion of the term.

## ARTICLE 7 STANDING COMMITTEES

(a) The Board of Directors shall have the power to organize committees as required to carry on the purpose of the Association.

(b) Architectural Committee. The Board of Directors of the Association shall create an Architectural Committee to evaluate all landscaping and building on the property for compliance with the provisions of the Covenants, Conditions, and Restrictions of RIO HOMES. It shall be the general purpose of the Architectural Committee to maintain a high standard of architectural design and general construction with the property in such a manner as to enhance the aesthetic desirability and compatibility and the structural soundness of all structures on the property. The Architectural Committee shall consist of three (3) members of the Association, appointed from time to time by the Board of Directors.

## ARTICLE 8 ASSESSMENTS

(a) Assessments. To provide funds for the Association to perform the obligations and render the services, the Association hereby imposes assessments in an amount of Thirty- Five Dollars (\$35.00) per month per Unit to fulfill the obligations and objectives of the Association, as set forth in Article 7 of the Covenants, Conditions, and Restrictions of RIO HOMES, and Chapter 9, Title 33, Arizona Revised Statutes.

(b) Setting Assessment. The Board of Directors shall prepare a budget for the Association setting forth the expected expenditures, including a reserve for replacement, repair, maintenance or contingencies, together with the assessment necessary to meet the costs of such budget. The membership shall vote on such assessment at the annual meeting of the membership, and such assessment shall be considered approved unless rejected by a majority of the total membership. In the event no assessment is approved at the annual meeting, the Board of Directors may call a special meeting of the membership as necessary to approve or reject an annual assessment. In the event no annual assessment is approved, within sixty (60) days following the annual meeting, the assessment for such year shall be the same amount as for the prior year.

(c) Special Assessment. The Board of Directors may, from time to time, present to a special meeting of the Membership called for such purpose, a proposal for special assessment setting forth the reasons necessary for such assessment. The membership shall vote on such assessment at the annual meeting of the membership, and such assessment shall be considered approved only if approved by two-thirds (2/3) of the total membership.

(d) Interest. Each assessment not paid within five (5) days after the due date set forth in the invoice from the Association shall bear interest thereon at a rate set by the Board of Directors from time to time.

(e) Lien. If any assessment is not paid within ninety (90) days after invoice from the Association, the Association may file a lien against the property of the owner not paying, and may enforce such lien by court action, or any other remedy available at law.

(f) Penalties. For violation of any rules or regulations set by the board, violation of the articles of the Bylaws of the Association, or violation of the Covenants, Conditions, and

Restrictions of RIO HOMES. The Board of Directors shall set forth the procedures for imposing such penalties, including the right of a member to contest such penalties, by resolution.

**ARTICLE 9**  
**SUPPLEMENTAL PROVISIONS; CONFLICTS**

(a) Supplemental Provision. Unless conflicting rules, regulations or procedures are expressly set forth in the declaration of Covenants, Conditions, and Restrictions for RIO HOMES, the Articles of Incorporation, or these Bylaws, the provisions of Chapter 9, Title 33, Arizona Revised Statutes concerning rules, regulations, procedures and administrative operation shall be considered to be supplemental rules, regulations and procedures for the administrative operations of RIO HOMES.

(b) Conflicts. Any conflict between the provisions of these bylaws, the provisions of the Covenants, Conditions, and Restrictions of RIO HOMES, the provisions of Chapter 9, Title 33, Arizona Revised Statutes shall be resolved in the following priority:

- (1) Mandatory Provisions of Chapter 9, Title 33, Arizona Revised Statutes;
- (2) Covenants, Conditions, and Restrictions of RIO HOMES;
- (3) Bylaws of RIO HOMES;
- (4) Optional Provisions of Chapter 9, Title 33, Arizona Revised Statutes

**ARTICLE 10**  
**FISCAL YEAR**


The fiscal year of the corporation shall end December 31.

**ARTICLE 11**  
**AMENDMENTS**

(a) Amendments to these bylaws shall be made as provided by law.

(b) The Board of Directors shall present any resolution to alter, amend or repeal any bylaw to the membership at a special meeting called for such purpose. Such changes shall be deemed approved upon an affirmative vote of a majority of the members of the Association.

DATED this 4<sup>th</sup> day of March, 2004, as approved by the Board of Directors of the Corporation on this date.

  
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President

The undersigned hereby certifies that:

(1) I am a duly elected and acting secretary of the RIO HOMES, a corporation duly organized and existing under the laws of the State of Arizona.

(2) The foregoing bylaws constitute the Bylaws of the Association as duly adopted at the first meeting of the Board of Directors of the corporation duly held on 3/4/04, 2004.

IN WITNESS WHEREOF, I do hereto subscribe my name and the seal of the Corporation on 3-4-04, 2004.

Jennifer Clark  
Secretary

STATE OF ARIZONA }  
County of Coconino } SS

On this 4<sup>th</sup> day of March, 2004, before me, the undersigned notary public, personally appeared Tom Brewster of RIO HOMES, an Arizona corporation, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Stacy M. Fiore  
Notary Public

My Commission Expires:



STATE OF ARIZONA }  
County of Coconino } SS

On this 4<sup>th</sup> day of March, 2004, before me, the undersigned notary public, personally appeared Jennifer Clark of RIO HOMES, an Arizona corporation known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Stacy M. Fiore  
Notary Public

My Commission Expires:



**ADDENDUM TO BYLAWS  
OF  
RIO HOMES (An Arizona Corporation)**

The bylaws of Rio Homes shall exclude all of Unit 4 of the Rio Homes Final Plat which is the co-housing units within the Rio Homes Subdivision. The Rio Homes co-housing units shall govern by their own set of bylaws and CCR's.

IN WITNESS WHEREOF, I do hereto subscribe my name and the seal of the Corporation  
on March 25, 2004.

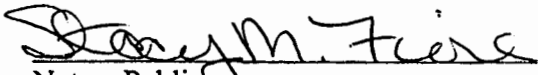


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President

STATE OF ARIZONA        }  
                                      }  
County of Coconino        }        ss

On this 26<sup>th</sup> day of March, 2004, before me, the undersigned notary public, personally appeared Tom Brewster of RIO HOMES, an Arizona corporation, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_



