

**BYLAWS**  
**OF**  
**DREAMING SUMMIT HOMEOWNERS ASSOCIATION**

ARTICLE I

NAME AND LOCATION

The name of the corporation is DREAMING SUMMIT HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 6730 N. Scottsdale Road, Suite 230, Scottsdale, Arizona 85253, but 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 Dreaming Summit Homeowners Association, its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property described on Exhibit "A" to the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners as defined in the Declaration.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of all or part of the Property with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to the party which is named as the Declarant in the Declaration, or any person or entity to whom any part or all of Declarant's rights are assigned, as provided in the Declaration.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, Restrictions, Reservations and Easements applicable to the Property recorded in the Office of the County Recorder of Maricopa County, Arizona.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

### ARTICLE III

#### MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held on the second Tuesday of the first full month following the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same Tuesday of the same month of each year thereafter, at the hour of 7:00 o'clock, P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

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 the 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, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership 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, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. In addition, if a quorum does not exist at any meeting, another meeting may be called for such purpose, subject to the notice requirement of Section 3 above, and the required quorum at the subsequent meeting shall be one-half of the quorum required at the initially scheduled meeting. The meeting may be repeatedly rescheduled in this way, with notice, and the required quorum shall continue to decrease by one-half at each meeting until a quorum is present or represented by proxy at a meeting. Each subsequent meeting shall be held within sixty days following the preceding meeting.

Section 5. 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his or her Lot.

## ARTICLE IV

### BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 1.     Number. The affairs of this Association shall be managed by a Board of not more than seven (7) nor less than three (3) directors, who need not be members of the Association.

Section 2.     Term of Office. Each Director shall be elected for a term of one (1) year.

Section 3.     Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4.     Compensation. No director shall receive compensation for any service he or she may render 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 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 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 such appointment shall be announced at each annual meeting. The Nominating Committee 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 or non-members.

Section 2.     Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies 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 not permitted.

## ARTICLE VI

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. All meetings of the Board of Directors shall be open to the Members. Notice of all meetings (other than emergency meetings) of the Board of Directors shall be provided to the Members as set forth in Article III, Section 3 of these Bylaws.

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 three (3) days' notice to each director.

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 Area 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. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations; provided, however, that such rights of a member may be suspended for successive periods thereafter of 60 days each if the infractions in question are not corrected within a given preceding 60 day period;

(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 Article of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) 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 at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A 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 Lot 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; and

(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) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

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

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Common Area 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, 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 by resolution create.

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. Until such time, the initial officers shall be:

Chris B. Heeter	President
Robert C. Speirs	Vice President
Dorothy F. Desroches	Secretary
Dorothy F. Desroches	Treasurer

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 he or she 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 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 the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer so replaced.

Section 7. Multiple Offices. The offices of secretary, treasurer and/or vice-president may be held by the same person. Except as provided in the preceding sentence, no person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

### President

(a) The president shall preside at all 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.

### Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

### Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board 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 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.

### Treasurer

(d) 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 all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books 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 membership at its regular annual meeting, and deliver a copy of each to the members.

## ARTICLE IX

### COMMITTEES

Declarant shall appoint a Design Review Committee, as provided in the Declaration, and the Board of Directors shall appoint a Nominating Committee, as provided in these Bylaws. The Board of Directors shall be responsible for appointing the members of the Design Review Committee after Declarant's right to do so ceases as provided in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

## 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 at the principal office of the Association, where copies may be purchased at reasonable cost.

## ARTICLE XI

### ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid as provided in the Declaration shall be delinquent. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

## ARTICLE XII

### AMENDMENTS

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 proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

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

### FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.



IN WITNESS WHEREOF, I, being the sole Incorporator of the Dreaming Summit Homeowners Association, have hereunto set my hand this 19<sup>th</sup> day of September, 2000, as authorized by the Articles of Incorporation of the Association.

*C.B. Heeter*

CHRIS B. HEETER

INCORPORATOR

STATE OF ARIZONA       )  
  ) ss.  
County of Maricopa       )

The foregoing instrument was acknowledged before me this 19<sup>th</sup> day of September, 2000, by CHRIS B. HEETER.

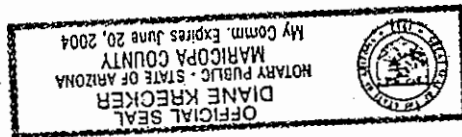


*Diane Kreckler*

Notary Public

My commission expires:

June 20, 2004



**EXHIBIT "A"**  
**(Legal Description of the Parcel)**

Lots 1 through 459, inclusive, and Tracts A through C, inclusive, and E through N, inclusive, according to that certain Final Plat of Dreaming Summit Unit 1 recorded on September 7, 2000 in Book 541, at Page 49, as Instrument No. 2000-0690484, in the official records of Maricopa County, Arizona.

Lots 1 through 390, inclusive, and Tracts A, B, E and L according to that certain Final Plat of Dreaming Summit Unit 2A recorded on September 7, 2000 in Book 541, at Page 50, as Instrument No. 2000-0690485, in the official records of Maricopa County, Arizona.

Lots 1 through 436, inclusive, and Tracts C and D, F through K, inclusive, and M through R, inclusive, according to that certain Final Plat of Dreaming Summit Unit 2B recorded on September 7, 2000 in Book 541, at Page 48, as Instrument No. 2000-0690483, in the official records of Maricopa County, Arizona.

**BYLAW AMENDMENT**

At a Meeting of the Members held March 13, 2006, Members approved the following amendment to the bylaws:

**Article IV, Section 2 [was amended to read]:**

***Term of Office. Beginning at the Annual Meeting to be held in 2007, the Members shall elect two (2) Directors for a term of three (3) years, and two (2) Directors for a term of two (2) years, and one (1) Director for a term of one (1) year. The number of votes received shall determine the initial term for each Director. At each annual meeting thereafter, the Members shall elect Directors to replace those Directors whose terms have expired and all such Directors shall be elected for a term of two (2) years.***