

# **BYLAWS OF SORRENTO HOMEOWNERS' ASSOCIATION**

## **ARTICLE I**

### **NAME AND LOCATION**

1. Name and Location. These Bylaws shall constitute the Bylaws of Sorrento Homeowners' Association (the "Association"), a corporation formed pursuant to Covenants, Conditions and Restrictions now or hereafter recorded in the records of the County Recorder of Maricopa County, Arizona, as and if amended (the "Declaration"), for that subdivision recorded as Sorrento (the "Project").

2. Personal Application. All present or future Owners (as defined in the Declaration), tenants, future tenants, or their employees, or any other persons who might use the facilities of the Project in any manner, are subject to the regulations of these Bylaws as set forth herein.

3. Non-Profit Corporation. The Association is an Arizona non-profit corporation, and is organized and existing under and by virtue of the laws of the State of Arizona as same pertains to the application of corporate activities and the Project. The office of the Association shall be located in Arizona and meetings of the 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.

4. Terms. The terms utilized in these Bylaws shall, except as otherwise provided herein, have the meanings set forth in the Declaration.

## **ARTICLE II**

### **MEETINGS OF THE MEMBERSHIP**

1. Place. All meetings of the Members shall be held at the Project, or at such other place as shall be designated by the Board of Directors of the Association and stated in the Notice of Meeting.

2. Annual Meeting. An annual meeting of Members shall be held at the Project, Chandler, Maricopa County, Arizona during the fourth quarter of each year, for the purpose of electing directors and transacting other business authorized to be transacted by the Members.

3. Special Meetings. Special meetings of the Members, for any purpose or purposes, may be called by the President or the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of the total votes entitled to be cast at such meeting.

4. Notices and Quorums. Written notice of any annual or special meeting shall be sent to all Members not less than ten (10) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast thirty percent (30%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting shall be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. Written notice of each such meeting 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, to each Member entitled to vote at such meeting, 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. An agenda for any meeting of the Members shall be provided by hand delivery, mail, website posting, email or other electronic means or posting at a community center or other similar location.

5. Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members, or in order to make a determination of Members for any other purpose, the Board of Directors, at its election, may provide that the Membership books shall be closed for a stated period, but not to exceed in any case fifteen (15) days prior to the event concerned.

6. Voting. Votes by Members may be cast by email, online, in person or by mail-in/absentee ballot or for special meetings and annual meetings of the membership. Rules and regulations for electronic or online voting may be determined by the Board of Directors, pursuant to A.R.S. §10-3708. Any action taken at an annual or special meeting of the Members must comply with all of the following:

- (a) The mail-in/absentee ballot must set forth each proposed action;
- (b) The mail-in/absentee ballot must provide an opportunity to vote for or against each proposed action;

(c) The mail-in/absentee ballot is valid only for one specified election or meeting of the members and expires automatically after the completion of the election or meeting;

(d) The mail-in/absentee ballot must specify the time and date by which the ballot must be delivered to the board of directors in order to be counted, which must be at least seven days after the date the board delivers the absentee/mail-in ballot to the member; and

(e) The mail-in/absentee ballot must specify how many ballots must be returned to achieve a quorum and what percentage of approval is required to approve the action, other than for an election of directors. The mail-in/absentee ballot shall not authorize another person to cast votes on behalf of the member. Votes cast by mail-in/absentee ballot are valid for purposes of a quorum.

### **ARTICLE III**

#### **BOARD OF DIRECTORS**

1. Number and Term of Office. The Board of Directors shall consist of five (5) Members, each of which shall be an Owner of a Lot or, if an Owner is a corporation, partnership, trust or other legal entity, the Director may be a representative thereof. At each annual meeting, the Members shall elect the number of directors as is appropriate to replace those Directors whose terms have expired and to maintain staggered terms for the Directors for a term of three (3) years each.

2. Organizational Meeting. The organizational meeting of the Board of Directors and meetings thereafter shall be held at such place and at such time as shall be determined by the Directors.

3. Removal of Directors. Directors may be removed from office at any regular or special meeting, pursuant to Arizona law which outlines the following procedure:

(a) Petition for Removal of Director Requirements: A petition must be presented to the board for removal of a Director that is signed by the number of persons who are entitled to cast at least 25% of the votes in the association;

(b) Special Meeting: The special meeting shall be noticed and held within 30 days after receipt of the petition for removal. The notice of this special meeting must be given to the Members at least ten (10) days prior to the meeting;

(c) **Quorum:** A quorum for the removal meeting purpose is met if at least 20% of the votes are present at the meeting in person or as otherwise permitted by law;

(d) **Percentage Required to Remove Director:** A member of the board can be removed from office with or without cause by a majority vote of the members entitled to vote and voting on the matter at a meeting of the members called for the removal purpose. A quorum must be present;

(e) **Retention of Documents:** The board must retain documents related to proposed removal for at least one year after the special meeting and shall permit inspection of these records by members;

(f) **Only One Removal Attempt Per Term:** A petition for removal of the same member of the board shall not be submitted more than once during each term of office for that member.

4. **Vacancies on Board of Directors.** If the office of any Director or Directors becomes vacant by reason or death, resignation, retirement, disqualification, removal from office, disability or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor or successors, who shall hold office for the balance of the unexpired term.

5. **Resignation of Directors.** Any Director may resign at any time by sending written notice of such resignation to the office of the Corporation delivered to the Secretary.

Unless otherwise specified therein, such resignation shall take effect upon receipt by the Secretary. In the event a Director ceases to be an Owner of a Lot or have an interest therein, the directorship shall immediately and automatically terminate.

6. **Regular Meetings.** Regular meetings of the Board of Directors shall be held regularly, at such place and hour as determined by the Board. Notice to Members of meetings of the Board of Directors shall be given at least forty-eight (48) hours in advance of the meeting by newsletter, conspicuous posting or other means as determined by the Board of Directors. Notice to members of meetings of the Board of Directors is not required if emergency circumstances require action by the Board before notice can be given. Regular meetings of the Board of Directors may be conducted virtually (e.g., via Zoom or similar online communication platform).

7. **Special Meetings.** Special meetings of the Board of Directors may be called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director, given personally or by mail, telephone or email, which notice shall state the time, place (as hereinafter provided) and purpose of the meeting.

8. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive any meeting notice, and such any waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof, except when a Director attends for the express purpose of objecting to lack of notice. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

9. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of all the Directors shall constitute a quorum for the transaction of business, and 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. If at any meeting of the Board of Directors, there should be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

10. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds, and all other persons designated by the Declaration, furnish adequate fidelity bonds or coverage. The premiums on such bonds or coverage shall be paid by the Association.

11. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Corporation. These powers shall include the following:

(a) To make assessments as authorized by the Declaration and to collect, use and expend the assessments to carry out the purposes and powers of the Association;

(b) To employ, dismiss and control a manager, an independent contractor, or such other personnel, including attorneys, accountants, contractors and other professionals as they deem necessary, prescribe their duties, and delegate such powers as they deem advisable to the manager (and any such employees or other personnel who may be the employees of a managing agent);

(c) To adopt Rules and Regulations governing the use of the Common Areas and facilities, and the personal conduct of the Members and their guests thereon and to establish penalties for the infraction thereof;

(d) To exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

(e) To maintain, repair and make necessary improvements to the Common Areas;

(f) To enforce by legal means, if necessary, the provisions of the Declaration, the Articles of Incorporation, the Bylaws and Rules and Regulations of the Association, and other documents and laws respecting the Association and the Project;

(g) To pay taxes and assessments which are liens against any part of the Project, other than individual Apartments, and to assess the same against the Lots subject to such liens;

(h) To pay the cost of all power, water, sewer and other utility services rendered to the Project and not metered and billed to individual Lots;

(i) To select the officers of the Association; and

(j) To 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 sixty (60) days for infraction of Rules and Regulations.

12. Compensation. No Director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of official duties.

#### **ARTICLE IV**

##### **OFFICERS**

1. Enumeration and Election of Officers. The principal officers of the Association shall be a president, a vice president, a secretary and a treasurer. Each officer shall be an Owner of a Lot or, if an owner is a corporation, partnership, trust or other legal entity, the officer may be a representative thereof. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

2. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve. At the end of their terms, Officers may be re-elected for additional one-year terms. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

3. 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.

4. 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.

5. Multiple Offices. The offices of secretary and treasurer may be held by the same person. 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 3 of this Article.

6. The President. The president shall be the chief executive officer of the Association; shall preside at all meetings of the Member and of the Board of Directors; shall have executive powers and general supervision over the affairs of the Association; 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.

7. The Vice President. The vice president shall perform all of the duties of the president in his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him from time to time by the Board of Directors.

8. The Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; 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.

9. The Treasurer. The treasurer or designee 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 correct books of account; cause an annual review of the Association books 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 meeting, and deliver a copy to each of the Members. The treasurer shall be allowed to delegate the collection, deposit and disbursement of monies by establishing a reasonable method of accounting which shall be reviewed by the Board of Directors on a monthly basis.

## **ARTICLE V**

### **FISCAL MANAGEMENT**

1. Depositories. The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time, upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association or a professional management company as may be designated by the Board of Directors.

2. Determination of Assessments. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses for the Project ("Common Expenses") and cash requirements for the year. The estimated annual budget shall not include those utility expenses which are the obligation of the individual Owners. The annual budget shall also take into account the estimated net available cash income for the year from the operation or use of any of the Common Areas. The annual budget shall also provide for a reserve for contingencies for the year and an adequate reserve for maintenance, repairs and replacements of those Common Areas that must be replaced on a periodic basis, as determined by the Board. To the extent that the assessments and other cash income collected from the owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall be taken into account in determining the annual budget.

3. Budget. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Owner not later than thirty (30) days before the beginning of such year.

4. Records and Statements of Account. The Board, under the direction of the treasurer, shall cause to be kept detailed and accurate records in chronological order of the receipts and itemized expenditures affecting the Common Areas and the Project, in accordance with generally accepted accounting practice. All records shall be available for examination by the Owners at convenient hours designated by the Board. The Board shall, upon receipt of ten (10) days notice to it or the Association, furnish to each owner a statement of his account setting forth the amount of any unpaid Assessments or other charges due and owing from such Owner.

5. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year.



## **ARTICLE VI**

### **AMENDMENTS OF THE BYLAWS**

These Bylaws may be amended at any regular or special meeting of the Directors.

## **ARTICLE VII**

### **MISCELLANEOUS**

1. Conflicts. 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. If any provision of these Bylaws is less restrictive than the Declaration or the Articles of Incorporation when Dealing with the same subject, the more restrictive, provisions of the Declaration and Articles of Incorporation shall be applicable in the same manner as if included in the provisions of these Bylaws.

2. Disputes. In the event of any dispute or disagreement between any Owners relating to the Project, or any questions, or interpretation or application of the provisions of the Articles of Incorporation, Declaration, or these Bylaws, the determination thereof by the Board shall be final and binding on all Owners. If a decision cannot be reached by the Board, such matter shall be decided as set forth in the Declaration.

3. FHLMC, FNMA, FHA/VA. Notwithstanding anything to the contrary herein, to the extent that these Bylaws shall be contrary to or inconsistent with provisions of the Declaration, Federal National Mortgage Association, Federal Housing Administration and Veterans Administration, if any may be applicable to the Association, these Bylaws shall be considered superseded by such provisions, rules and/or regulations.

4. Indemnity of Directors and Officers. To the fullest extent permitted under A.R.S. 10-1005, each Officer and Director shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him by judgment or settlement in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been an Officer or Director of the Association. Liability of the Directors shall be limited as provided in the Articles

**CERTIFICATION**

I, THE UNDERSIGNED DO HEREBY CERTIFY:

THAT, I am the duly elected and acting secretary of the Sorrento Homeowners' Association, an Arizona non-profit corporation, and,

THAT the foregoing Bylaws constitute the Amended and Restated Bylaws of said Association, as duly adopted at a meeting of the Members thereof, held on the \_\_\_\_\_ day of \_\_\_\_\_, 2025.

IN WITNESS WHEREOF, I have hereunto subscribed my name this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_

Secretary