

AMENDED & RESTATED
BYLAWS
OF
THE SCOTTSDALE RANCH COMMUNITY ASSOCIATION

04/17/08

ARTICLE I

NAME AND LOCATION

The name of the corporation is THE SCOTTSDALE RANCH COMMUNITY ASSOCIATION hereinafter referred to as the "Association". The location of the principal office of the Association shall be as provided in the Articles of Incorporation. 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

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in that certain Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitudes, Liens, Reservations and Easements, dated December 31, 1980, recorded on December 31, 1980 in Docket 14929 page 294 in the office of the County Recorder of Maricopa County, Arizona (the "Declaration"), as the same may be from time to time amended.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The regular annual meeting of the Members shall be held on the third Thursday of the month of April of each year, 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 Thursday 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 a majority of the Board of Directors, or upon written request of the Members who are entitled to a vote one-tenth (1/10th) of all of the votes of the 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, not less than fifteen (15) days nor more than fifty (50) days before such 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 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 in person or by absentee ballot of Members entitled to cast one-tenth (1/10) of the votes of the 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 the 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.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by absentee ballot in accordance with all procedures established by the Election Committee. Absentee ballots shall be irrevocable once cast.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors, who shall be Members of the Association in good standing, which means, for the purposes of this section, that the Member may not be delinquent in the payment of any assessments to the Association. In addition, Members who wish to run for the Board shall also meet any other criteria established by the Board. The Board shall have the exclusive right of determining the affairs of the Association. The Board shall consist of not less than five (5) nor more than nine (9) Directors.

Section 2. Term of Office. At each annual meeting, 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. The length of terms may be modified by the Members and the number of Directors may be increased to not more than nine (9) by the vote of the Members or the Board. In the event of an increase in the number of Directors, the Members, at the first annual meeting after the increase, shall designate the terms for the new directorships. If the new directorships are created and filled by the Board between annual meetings, the newly elected Directors shall serve until the next annual meeting of the Members. No Director may serve more than two (2) terms of office within any ten (10) year period. A Director appointed by the Board to fill a Board vacancy, who has served sixteen or more (16) consecutive calendar months, shall be deemed to have served one (1) term, which shall be counted toward the term limits. An appointed term of

less than sixteen (16) consecutive calendar months shall not be counted toward the term limits. A Director who is removed from the Board by the Members shall be deemed to have served one (1) term, which shall be counted toward the term limits. A Director who resigns from the Board for any reason except his or her health or the health of a family member shall be deemed to have served one (1) term, which shall be counted toward the term limits.

Section 3. Removal and Vacancies. 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 the death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and such successor shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association in such capacity. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties as a Director and may receive a salary or wages if he is employed by the Association in a capacity in addition to serving as a Director.

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. Documentation evidencing any such action shall be attached to the meeting minutes, ratified by the Board, and announced to the members at the next board meeting.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. An Election Committee shall be appointed by the Board of Directors. The Election Committee shall establish procedures for the election and criteria for potential Board candidates. Such procedures may govern the method and manner in which balloting is to occur, including the information to be contained on the ballots. Such procedures and criteria must be approved by the Board prior to implementation. Any candidate who properly submits his or her name for consideration and meets the criteria established by the Election Committee shall be placed on the election ballot. Nominations shall not be allowed from the floor at the annual meeting. Furthermore, no write in candidates will be allowed on the ballot.

Section 2. Election. Election to the Board of Directors shall occur at the Annual Meeting. At such election the Members, voting in person, or by absentee ballot, may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The votes shall be cast in accordance with all procedures

established by the Election Committee. The persons receiving the largest number of votes shall be elected.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly without notice, 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.

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, the personal conduct of the Members and their guests thereon, and any other matters contemplated by the Declaration or Articles and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities and other Common Areas 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 (i) for a period not to exceed sixty (60) days for infraction of the Declaration, a Tract Declaration or the Scottsdale Ranch Rules and (ii) for successive 60-day periods if any such infraction is not corrected during any prior 60-day suspension 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 Articles 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, independent contractors, or such other employees as they deem necessary and to prescribe the duties of such persons.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all of 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 tenth (1/10th) of the 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, Parcel or Lessee at least thirty (30) days in advance of each annual assessment period; and
 - (2) take such action, as and when the Board deems such action appropriate but after notice as provided in the Declaration, to foreclose the lien against any property for which assessments are not paid and/or to bring an action at law against the Member personally obligated to pay the same and, by exercising either of the remedies hereinafter set forth, the Association does not prejudice or waive the right to exercise the other remedy.
- (d) issue, or cause to be issued, 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 certificates shall be conclusive evidence of such payment, as against any bona fide purchaser of, or lender on, the Lot, Parcel or Rental Apartment in question;
- (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 maintenance responsibilities of the Association set forth in the Declaration to be performed.

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.

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 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, to 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 replaced.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) 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:

- (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.

- (b) Vice President The Vice President shall act in the place and stead of the President in the event of his absence or inability, or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.
- (c) Secretary 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 perform such other duties as required by the Board.
- (d) 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 of Directors; shall sign all checks and promissory notes of the Association; shall keep proper books of account; shall 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 statement of income and expenditures to be presented to the membership at its regular annual meeting and delivered to the Members.
- (e) Any of the officers listed above may delegate any or all of its duties to employees, agents, or representatives of the Association to perform those duties on behalf of the Association.

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint an Architectural Control Committee and an Election Committee as provided in the Declaration and these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out the purpose of the Association.

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 upon receipt of a

written request stating the specific records requested and the purpose, unless allowed by law to be withheld from view. The Declaration, the Articles 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 a reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association, Annual Assessments, Special Assessments and Maintenance Charges and any other fees authorized by law which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid on the due date, the assessment shall bear interest, and the Association may bring an action at law against the Owner or Lessee personally obligated to pay the same or foreclose the lien against the property, as provided in the Declaration. Interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such Assessment. 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, Parcel or Rental Apartment.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: THE SCOTTSDALE RANCH COMMUNITY ASSOCIATION.

ARTICLE XIII

AMENDMENTS

Section 1. Amendments. These Bylaws may be amended in a manner not inconsistent with the Declaration or Articles, 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 absentee ballot. Furthermore, the Board of Directors shall have the authority to amend the Bylaws without the approval of the Members for the sole purpose of complying with the law.

Section 2. Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in the Bylaws to the contrary notwithstanding, the Board reserves the right to amend all or any part of the Bylaws to such an extent and with such language as may be requested by the FHA or the VA and to further amend the Bylaws to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such

agency's approval of the Bylaws or by any federally chartered lending institution as a condition precedent to lending funds upon security of any Lot(s) or Parcel(s) or any portions thereof.

ARTICLE XIV

INTERPRETATION

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 XV

FISCAL YEAR

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December, of each year.

Dated: April 17, 2008

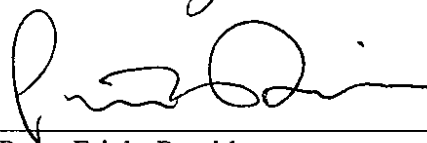
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting President of THE SCOTTSDALE RANCH COMMUNITY ASSOCIATION, an Arizona non-profit corporation, and,

That the forgoing Bylaws constitute the amended Bylaws of said Association, as adopted by a vote of the Members thereof, on the 17th day of April, 2008.

In witness whereof, I HAVE HEREUNTO SUBSCRIBED MY NAME AND AFFIXED THE SEAL OF SAID Association this 21st day of May, 2008.



Peter Frick, President