

AMENDED BYLAWS OF  
SABINO MOUNTAIN COMMUNITY ASSOCIATION, INC.

ARTICLE I  
GENERAL

1. Application of Declaration. These Amended Bylaws are the Bylaws of the Sabino Mountain Community Association, Inc. (the “Association”), an Arizona nonprofit corporation formed pursuant to the Articles of Incorporation (the “Articles”) filed with the Arizona Corporation Commission on September 14, 1998, and the “Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sabina Mountain” (the “Declaration”), as amended from time to time, recorded in the official records of the Pima County Recorder on June 25, 1998, in Docket 10825, Page 1330.

2. Defined Terms. Unless otherwise defined in these Bylaws, capitalized terms or phrases shall have the meaning given those terms or phrases in the Declaration or Articles.

3. Nonprofit Corporation. The Association is an Arizona nonprofit corporation that is organized and existing under and by virtue of the laws of the State of Arizona. The Association’s mailing address is Post Office Box 31852, Tucson, Pima County, Arizona 85751, but meetings of the Members of the Association and Board of Directors (the “Board”) may be held at such places within Pima County, Arizona, as may be designated by the Board.

ARTICLE II  
MEMBERSHIP; MEETINGS

1. Membership. The Members of the Association (the “Members”) and their voting rights shall be as provided in the Declaration. It is hereby acknowledged that the Members may amend the Declaration from time to time to change the qualifications and requirements of the Members and their voting rights.

2. Location of Meetings. Meetings of the Members shall be held at such place as may be designated by the Board in the notice of meeting.

3. Annual Meeting. An annual meeting of Members shall be held during the month of January of each year for the purpose of electing Board members and transacting other business authorized to be transacted by the Members.

4. Special Meetings. Special meetings of the Members may be called by the Board, the president of the Association, or any Member for any purpose or purposes.

5. Notices. Unless otherwise provided in the Declaration, written notice of any annual or special meeting of the Members shall be sent to all Members not less than

ten (10) nor more than fifty (50) days before the annual or special meeting and shall specify the time, place, and purpose of the meeting. Written notice of each annual or special meeting shall be sent by or at the direction of the secretary of the Association or a person authorized to call the meeting. Notice shall be sent by mailing a copy of the notice, postage prepaid, to each Member entitled to vote at the annual or special meeting, addressed to the Member at the address last appearing on the books of the Association or supplied by the Member for the purpose of notice.

6. Quorums. Unless otherwise provided in the Declaration, the presence of 58 Members (i.e., twenty percent of the Association's 290 Members) at an annual or special meeting shall constitute a quorum. Unless otherwise provided in the Declaration, the Articles, these Bylaws, or applicable law, the affirmative vote by a majority of the quorum and, if applicable, absentee ballots shall be binding as the act of the Members. If the required quorum is not present, a majority of those present may adjourn the original meeting and, without further notice, may transact at the adjourned meeting any business that might have been transacted at the original meeting.

7. Informal Action. Any action required or permitted to be taken at a meeting of the Members may be taken without holding a meeting if a consent in writing, setting forth the action, is signed by the greater of the percentage required under either (a) Arizona law or (b) the Declaration, the Articles, or these Bylaws.

8. Irregularities. All information or irregularities in calls, notices of meetings, the manner of voting, credentials, and method of ascertaining those present, shall be deemed waived if no objection is made at the meeting or if waived in writing.

9. Record Date. The Board may direct the closing of the Association's membership books for a stated period, not to exceed fifteen (15) days prior to the scheduled event, to make a determination of which Members are entitled to notice of, or to vote at, any meeting of Members or a determination of Members for any other purpose.

### ARTICLE III BOARD OF DIRECTORS

1. Number; Term of Office. The qualifications of Board members shall be as provided in the Declaration. The Board shall consist of the following seven (7) directors: two (2) from the Monterey Homes, two (2) from the Pepper Viner Homes, two (2) from the Custom Homes, and one (1) from the community at large. Each director shall serve a term of two (2) years, and directors from the Monterey Homes, Pepper Viner Homes, and Custom Homes shall serve staggered two-year terms.

2. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the Association's affairs and may do all acts and things as directed by the Members and otherwise permitted by law. The powers of the Board

shall include, but not be limited to, all rights, powers, privileges, duties, and obligations assigned to the Board in the Declaration, the Articles, and these Bylaws.

3. Vacancies; Removal of Directors. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, disability, or otherwise, he or she will cease to be a director, and his or her position on the Board shall be deemed vacant. Vacancies on the Board shall be filled by vote of the remaining Board members. The person selected to fill the vacancy shall serve for the remainder of the unexpired term. A director may be removed from the Board with or without cause in the same manner as he or she was appointed or elected to the Board.

4. Disqualification and Resignation of Directors. Any director may resign at any time by sending written notice to the Association's secretary. Unless otherwise specified in the notice, any resignation shall take effect upon receipt by the secretary. A director's absence from four (4) regular meetings of the Board during a twelve-month period shall result in immediate removal of that director from the Board, effective as of the conclusion of the last missed meeting.

5. Regular Meetings. The Board shall establish a schedule of regular Board meetings to be held at such date, time, and place as the Board may designate. Notice of regular Board meetings shall nevertheless be given to each director by mail, e-mail, telephone, or facsimile at least five (5) days before the date of the meeting.

6. Special Meetings. Special meetings of the Board may be called by the Association's president, or by any two (2) directors, after not less than three (3) days notice to all directors by mail, email, telephone, or facsimile. The notice shall state the date, time, place, and purpose of the special meeting. Any director may participate in any special Board meeting by means of a conference telephone or similar communications equipment that allows all participants to hear one another, and such participation shall constitute attendance in person, unless stated otherwise in Section 8 of this Article III.

7. Waiver of Notice. Before or at any Board meeting, any director may waive the notice requirement in Section 5 or 6 of this Article III. Waiver of notice shall be deemed equivalent to the receipt of the required notice. Attendance by a director at any Board meeting shall constitute a waiver of notice, except when the director attends for the express purpose of objecting to the lack of notice. If all directors are present at a Board meeting, no notice shall be required and any business may be transacted at the meeting.

8. Quorum. At all Board meetings, a majority of the 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. If there is less than a quorum present at any Board meeting, the majority of those present may adjourn the original meeting and,

without further notice, may transact at the adjourned meeting any business that might have been transacted at the original meeting.

9. Informal Action. Any action required to be taken at a Board meeting, or any other action that may be taken at such meeting, may be taken without a meeting if a consent setting forth the action so taken is signed by all directors.

#### **ARTICLE IV OFFICERS**

1. Enumeration and Election of Officers. The principal officers of the Association shall be a president, vice president, secretary, and treasurer. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

2. Term. The officers of the Association shall be elected annually by the Board and each officer shall hold office for one (1) year unless he or she shall sooner resign, be removed, or otherwise disqualified to serve. If an office becomes vacant for any reason, the vacancy shall be filled by the Board. The officer appointed to fill a vacancy shall serve for the remainder of the term of the replaced officer.

3. Special Appointments. The Board may appoint special officers as the affairs of the Association may require. Each specially appointed officer shall hold office for such period, have such authority, and perform such duties as the Board may determine from time to time.

4. Resignation and Removal. The Board may remove any officer from office, with or without cause. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Resignation shall take effect upon receipt of the notice, or at any later time specified in the notice, and the Board's acceptance of the resignation shall not be necessary to make the resignation effective unless otherwise specified in the notice.

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 officers appointed 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 Members and Board; shall have executive powers and general supervision over the affairs of the Association; shall ensure 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 promissory notes.

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

8. The Secretary. The secretary, or the secretary's designee, 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 perform such other duties as required by the Board.

9. The Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all funds of the Association; disburse such funds as directed by resolution of the Board; co-sign all promissory notes of the Association; keep proper books of account; cause an annual review of the Association's books to be made by a public accountant at the completion of each fiscal year; cause audits of the Association's books to be made from time to time; and present an annual budget and a statement of income and expenditures at the annual meeting and deliver copies to the Members. The treasurer may delegate the collection, deposit, and disbursement of funds by establishing a reasonable method of accounting, which the Board shall review periodically.

## ARTICLE V FISCAL MANAGEMENT

1. Depositories. The Association's funds shall be deposited in such banks and depositories as the Board may decide from time to time and shall be withdrawn only upon checks and demands for money signed by an Association officer or officers.

2. Records and Statements of Account. The Board, under the treasurer's direction, shall cause detailed and accurate records to be kept in accordance with generally accepted accounting practices. The Association's records shall be available for examination by the Members as provided by Arizona law.

3. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board.

4. Contracts. Unless otherwise provided by the Board, all contracts shall be executed on behalf of the Association by either the president or vice president.

**ARTICLE VI**  
**CONSTRUCTION**

In the case of any conflict between these Bylaws and the Articles, the Articles shall control. 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 when dealing with the same subject, the more restrictive provisions of the Declaration or Articles (as the case may be) shall be applied in the same manner as if included in these Bylaws.

**ARTICLE VII**  
**AMENDMENTS OF THE BYLAWS**

These Bylaws may be amended by the affirmative vote of a majority of the Board. These Bylaws shall not be amended to contain any provisions that would be contrary to or inconsistent with the Declaration or the Articles. Any provisions or purported amendment or modification to these Bylaws that is contrary to or inconsistent with the Declaration or the Articles shall be void to the extent of the inconsistency.

**ARTICLE VIII**  
**LIABILITY SURVIVES MEMBERSHIP TERMINATION**

The termination of ownership of a Lot shall not relieve or release any former Owner or Member from any liabilities or obligations incurred under, or in any way connected with, the Lot and/or Association during the period of ownership and/or membership, and such termination shall not impair any rights or remedies that the Association may have against the former Owner and/or Member arising out of or in any way connected with ownership and/or membership, and the duties and obligations incident thereto.

These Amended Bylaws were adopted by the affirmative vote of a majority of the Board at its regular meeting on the 21st day of August, 2007, and shall become effective on the 21st day of August, 2007.