

**AMENDED AND RESTATED BYLAWS
FOR
SHADOWS OF THE RIDGE HOMEOWNERS ASSOCIATION**

Pursuant to the provisions of Arizona Revised Statutes, A.R.S. §10-3101, et seq., the above Arizona nonprofit corporation hereby adopts the following Amended and Restated Bylaws ("Bylaws"):

**ARTICLE I
ASSOCIATION; DEFINITIONS**

Section 1.1. Association. The name of the corporation is SHADOWS OF THE RIDGE HOMEOWNERS ASSOCIATION hereafter referred to as the "Association." The Association has been formed to serve as a governing body for all of the Owners of Lots in that subdivision known as Shadows of the Ridge reflected in the plat recorded at Book 50 of Maps and Plats at page 37 in the records of the Pima County Recorder, Pima County, Arizona, and to exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Shadows of the Ridge at El Conquistador ("Declaration"). The principal place of business of the Association is to be located as set forth in the records of the Arizona Corporation Commission, but meetings of the Members and Directors of the Association may be held at such places within the State of Arizona as may be designated by the Board.

Section 1.2. Definitions. Capitalized terms used in these Bylaws without definition shall have the meanings specified for such terms in the Declaration.

**ARTICLE II
MEMBER MEETINGS**

Section 2.1. Annual Meeting. An annual meeting of the Members shall be held at least once every twelve (12) months at such time and place as determined by the Board.

Section 2.2. Special Meetings. Special meetings of the Members may be called by a majority of the Board or upon written request of Members entitled to vote twenty-five percent (25%) of all votes entitled to be cast by the Membership.

Section 2.3. 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 no more than fifty (50) days, before such meeting to each Member entitled to vote there at, 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 time, place, and purpose of the meeting.

Section 2.4. Quorum. The presence of Members entitled to cast ten percent (10%) of the total votes in the Association, in person or by absentee ballot, shall constitute a quorum.

Section 2.5. Voting Procedures.

A. **Action at a Meeting.** In any action on a matter submitted to a vote of the Membership at a meeting, Members may vote in person or by absentee ballot. Absentee ballots shall meet the following requirements: (i) set forth each proposed action; (ii) provide an opportunity to vote for or against each proposed action (except in an election of directors); (iii) specify the time and date by which the ballot must be delivered to the Association in order to be counted, which shall be at least seven (7) days after the date that the Association delivers the ballot to the Member; and (iv) contain the name, address and signature of the person voting. Ballots, envelopes and related materials, including sign-in sheets if used, shall be retained in electronic or paper format and made available for Member inspection for at least one (1) year after completion of the vote. Absentee ballots may be returned by U.S. mail or any other form of delivery determined by the Board including the use of e-mail and fax delivery.

B. **Action without a Meeting.** Except as otherwise required by law, any vote of the Members may be taken by written ballot in conformance with the following requirements: (i) the Association delivers a written ballot to every Member entitled to vote on the matter, giving the Member an opportunity to vote for or against the proposed action (except in an election of directors), and setting forth the proposed action, the number of responses needed to meet quorum requirements, the percentage of approvals needed to approve the matter, and the time by which a ballot must be delivered in order to be counted, which shall not be fewer than three (3) days after the Association delivered the ballot to the Members; (ii) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action; (iii) the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot; and (iv) all other requirements of law are met.

Section 2.6 Suspension of Voting Rights. The right of a Member to vote shall be automatically suspended for any period during which an assessment against his/her Lot remains unpaid.

**ARTICLE III
BOARD OF DIRECTORS**

Section 3.1. Number; Term. The affairs of the Association shall be conducted by a Board consisting of three (3) directors all of whom shall be Members in good standing at the time of their election. Each director shall serve a term of three (3) years; provided, however, that no

director may serve more than two (2) consecutive terms (or any portions thereof). The terms of directors shall be staggered and the Board may select which directors shall serve less than a three-year term in order to establish or re-establish staggered terms.

Section 3.2. Officers. The offices of the Association shall be President, Treasurer, Secretary and such other offices as the Board may create. Each officer shall be elected by the Board and hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve. Any director may simultaneously hold more than one office.

Section 3.3. Compensation. No director shall receive compensation for any service he/she may render to the Association that is within his/her duties as a director. However, a director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

Section 3.4. Removal of Directors. Any director may be removed from the Board with or without cause in conformance with the procedures set forth in A.R.S. §33-1813.

Section 3.5. Vacancies. Except for vacancies caused by the removal of a majority of directors, any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum or by a sole remaining director, and any director so chosen shall hold office for the unexpired term of his/her predecessor. If by reason of death, resignation or otherwise, the Association has no directors in office, any Member may call a special meeting of the Members for the purpose of electing the Board.

Section 3.6. Director's Conflict of Interest. A director who has a conflict of interest in the subject matter of any business before the Board shall declare the conflict in an open meeting of the Board before the Board discusses or takes action on that issue and that director may then vote on that issue.

ARTICLE IV BOARD MEETINGS

Section 4.1. Regular Meetings. Regular meetings of the Board shall be held at least once per calendar year, at such place and hour as may be fixed from time to time by the Board.

Section 4.2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by a majority of directors.

Section 4.3. Notice of Meetings. Notice to members of meetings of the Board shall be given at least forty-eight hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board unless emergency circumstances require action by the board before notice can be given.

Section 4.5. Quorum. A majority of the actual number of directors shall constitute a quorum for the transaction of business. Every act done or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

Section 4.6. Open Meetings. Except as to those matters set forth below, meetings of the Board shall be open to all Members or any person designated by a Member in writing as the Member's representative. Members or their designated representatives shall have the opportunity to speak before the Board takes action on any matter. The Board may establish reasonable rules for such Member participation including, but not limited to, limitations on the number of persons speaking on any issue and the amount of time allocated for that purpose. After setting forth the reason(s) in either the notice of a meeting or by announcement at an open meeting, the Board may discuss the following matters in executive session at the discretion of the President:

1. Legal advice from an attorney for the Board or the Association.
2. Pending or contemplated litigation.
3. Personal, health or financial information about an individual Member of the Association, an individual employee of the Association or an individual employee of a contractor for the Association, including records of the Association directly related to the personal, health or financial information about an individual Member, an individual employee of the Association or an individual employee of a contractor for the Association.
4. Matters relating to the job performance of, compensation of, health records of or specific complaints against an individual employee of the Association or an individual employee of a contractor of the Association who works under the direction of the Association.
5. Discussion of a Member's appeal of any violation cited or penalty imposed by the Association except on request of the affected Member that the meeting be held in an open session.

Section 4.7. Action Without a Meeting. The Board 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 such action of all the directors, and as long as such action was previously addressed at an open meeting or an emergency situation exists that requires immediate action. Any action so approved shall have same effect as though taken at a Board meeting and shall be memorialized by attaching the written approvals of directors to the minutes of the next Board meeting.

**ARTICLE V
POWERS AND DUTIES OF THE BOARD**

Section 5.1. Powers. In addition to all other powers conferred by the Declaration and Arizona law, the Board shall have power to:

- (i) Adopt and publish rules and regulations governing the use and maintenance of Common Areas;
- (ii) After providing a Member with written notice and an opportunity to be heard, suspend the voting rights of a Member for a period not to exceed sixty (60) days for a breach of the Declaration or infraction of published rules and regulations;
- (iii) 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;
- (iv) Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board.
- (v) Employ a manager, an independent contractor, or such other employees as the Board deems necessary, and to prescribe their duties; and
- (vi) Grant easements over, across or under the Common Areas for ingress, egress and such other purposes as may be deemed advisable by the Board.

Section 5.2. Duties. In addition to the duties set forth in the Declaration, it shall be the duty of the Board to:

- (i) Fix the amount of assessments against each Lot;
- (ii) Send written notice of assessments to every Owner subject thereto;
- (iii) Foreclose the lien against any property for which assessments are not paid in accordance with A.R.S. §33-1807 or bring an action at law against the Owner personally obligated to pay the same, provided same is cost effective in the sole discretion of the Board;
- (iv) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessments are unpaid. 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;

(v) Cause all Director or employees having fiscal responsibilities to be insured and bonded, as it may deem appropriate; and

(vi) Cause the Common Areas and portions of the Lots to be maintained as set forth in the Declaration.

**ARTICLE VI
MISCELLANEOUS**

Section 6.1. Books and Records. The books, records and papers of the Association shall be available for inspection and copying by any Member during reasonable business hours subject to the provisions of A.R.S. §33-1805.

Section 6.2. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end the 31st day of December of every year.

Section 6.3 Annual Financial Review. The Board shall cause an audit, compilation or review of the Association books to be made within one-hundred and eighty (180) days of the end each fiscal year.

Section 6.4. Amendment. These Bylaws may be amended by the Board, or by Members representing a majority of the Lots or two-thirds (2/3) of those Members voting on the matter, whichever is less.

Section 6.5. Conflicting Provisions. In the case of any conflict between the Association's 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.

These Amended and Restated Bylaws were adopted by the Board of Directors at a duly-held meeting on the ____ day of _____, 20__.

SHADOWS OF THE RIDGE HOMEOWNERS ASSOCIATION, an Arizona nonprofit corporation

By: _____
Its: President