

Colony Monterey Association
Scottsdale, Arizona 85250

AMENDED AND RESTATED BYLAWS
For
UNITS SIX & SIX – 1

These Amended and Restated Bylaws were approved pursuant to Article V of the Bylaws of Colony Monterey Association dated _____ and supersede such Bylaws in their entirety.

I. MEETINGS OF MEMBERS

1. Annual Meeting. The Annual Meeting of the Association Members will be scheduled by the Board during the first quarter of each year in the City of Scottsdale, the time and place to be determined by the Board of Directors ("Board").
2. Multiple Lot Owners. If a lot is owned by more than one person, the owners must provide written notice to the Association of the owner who has the power to vote for the Membership. In the absence of any such designation, the Board has the power to designate which one of the Owners has the right to vote on behalf of that Membership. When ownership of a lot is transferred, the Membership in this Association will automatically be transferred to the new Owner.
3. Voting. Each Member is entitled to one vote, whether cast in person or by absentee ballot. No vote whether cast in person or by absentee ballot is valid if the Member is delinquent in the payment of any Association assessment or has not paid any other sums that are due to the Association.
4. Quorum. A quorum exists at any meeting if 25% of the Members who are eligible to vote are present in person or by absentee ballot at any meeting of the Members.
5. Adjourned Meetings. If a quorum is not present at the Annual Meeting, the meeting may be adjourned. Notice of the adjourned meeting must be mailed or delivered to each Member at least ten (10) days before any rescheduled meeting and must contain an absentee ballot for all business to be transacted at the meeting.
6. Special Meetings of the Members. Special meetings of the Members may be held if called by the President or any two Directors or by 25% of those Members entitled to vote. Notice of the special meeting must be given to each Member at least 10 days prior to the meeting with such notice stating the time and place of the special meeting.

7. Absentee Ballot. Proxy voting is not permitted. Any action taken at an annual or special meeting of the Members must comply with all the following:
 - i. The absentee ballot must set forth each proposed action.
 - ii. The absentee ballot must give the Member the opportunity to vote for or against each proposed action.
 - iii. The absentee ballot is valid for only one specified election or meeting of the Members and automatically expires after the completion of the election or meeting.
 - iv. The absentee ballot must specify the time and date by which the ballot must be delivered to the Board to be counted, which must be at least seven days after the date that the Board delivers the absentee ballot to the Member.
 - v. The absentee ballot cannot authorize another person to cast votes on behalf of the Member.
- b. Votes cast by absentee ballot or other form of delivery are valid for the purpose of establishing a quorum.

II. DIRECTORS

1. Number and Terms of Directors. The business of the Association will be conducted by a Board of seven (7) Directors with the provision that at least 55% of the Membership of the Board is subject to election each year at the annual meeting. Three Directors' terms will carry over into the succeeding year. Three Directors will be elected to serve for two years, and one Director will be elected to serve for one year. Unless mutually agreed upon by the Directors, the one year terms will be held by the electee(s) receiving the least number of votes in the election. Ref Article II Section 2c.
2. Nominating Committee and Election of Directors. Nomination for election to the Board will be made by a Nominating Committee. The Nominating Committee will consist of a Chair, who is a Member of the Board, and two or more Members of the Association (who may also be Directors). The Nominating Committee will be appointed by the Board prior to the date of the annual meeting of the Members. The names of those persons serving on the Nominating Committee will be announced at the annual meeting. The Nominating Committee will send a notice to the members soliciting volunteers to run for election to the Board and from those names, the Nominating Committee will make as many nominations for election to the Board as it may, in its discretion, determine, but not less than the number of vacancies that are to be filled. Nominations must be made from among Members.
 - a. Nominations from the Floor. There will not be any nominations from the floor.

- b. Election. Members will cast one vote for each vacant position with Members receiving the most votes being elected. Cumulative voting is not permitted. In the event that the required number of Directors is on the ballot but the required number of Directors is not elected by the Members, the Board, at its option, may appoint a Director to serve until the next annual meeting of the Members, or send out absentee ballots to all of the members with the name(s) of candidates to be elected, without the necessity of calling another annual meeting.
 - c. Vacancies on the Board. Any vacancies on the Board will be filled by appointment by the remaining Directors to serve until the next annual meeting at which the Members will elect a Director to fill the unexpired term of the Director whose position became vacant. Should the vacancy occur in the first year of a two (2) year term, an additional electee(s) would be added to the four new Directors of Article II, Section 1.
3. Meetings of the Board. Meetings of the Board may be called by the President or by any two Directors by giving at least one day's notice to each Director. A majority of the Directors constitutes a quorum. All meetings are to be regarded as open meetings.
 - a. Regular Meetings. Regular meetings of the Board will be held at least quarterly at a date, place and hour determined by the Board. All Members may attend any meeting of the Board which is not a closed meeting. The Association will provide notice to the Members of the date, time and place of such meeting at least 48 hours before the scheduled meeting, unless there are exigent circumstances requiring that the meeting be held in less than 48 hours.
 - b. Special Meetings. Special Meetings of the Board can be held when called for by the President, or by two Directors, after not less than three days' notice to each Director.
 - c. Quorum. A majority of the number of Directors constitutes a quorum for the transaction of business.
4. Responsibilities of the Board. The Board is responsible for the general management and control of the business affairs of the Association. The Board has all of the powers of a Board of an Arizona nonprofit Corporation, subject only to those limitations set forth in the Governing Documents. The Board has the power to do any and all lawful acts which may be authorized by the Governing Documents and any acts which may be necessary or incidental to the exercise of any of the express powers of the Association.
5. Removal of a Director. At any regular or special meeting of the Association at which a quorum is present, any member of the Board can be removed by the Members, with or without cause, by the vote of a majority of the Members who are voting. For purposes of the removal of a Director, a quorum exists if 20% of the owners are present at the meeting, or have returned an absentee ballot. The procedure for removing directors is as follows:

- a. A petition signed by the Owners entitled to cast at least 25% of the votes in the Association which requests the removal of a member of the board must be submitted to the Board.
 - b. Once the petition has been received by the Board, the Board must notice a special meeting of the Association. The notice of this special meeting must be given to the Owners at least 10 days before the meeting. Such notice must be either hand-delivered or sent by first class mail to the mailing address for the Owner as reflected in the Association's records. An absentee ballot must be sent with the notice of the special meeting and give the Member the right to vote for or against the removal of the named Director who is proposed to be removed. The absentee ballot must also set forth the names of person(s) to be elected in the event that the vote is in favor of removal of that director with a place on the absentee ballot to vote for or against the person to fill the vacant position. The names of those to be elected in the event that a director is removed will be chosen by a committee appointed by the Board consisting of at least three members who are not on the Board. No person whose removal has been requested by the requisite number of members may serve on the nominating committee responsible for choosing potential new Directors.
 - c. The special meeting must be held within 30 days from receipt of the petition requesting the removal of a Director.
 - d. A petition asking for the removal of the same member of the Board cannot be submitted more than once during each term of office for that board member.
 - e. The Board must retain all documents and other records relating to the proposed removal of the member of the Board and any election or other action taken for that Director's replacement for at least one year after the date of the special meeting and must permit Members to inspect those documents and records.
6. Compensation of Directors. No Director will receive compensation for serving as a director of the Association. However, any Director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties. Directors will be reimbursed for any out-of-pocket funds used to pay for previously approved services or materials needed in conducting the business of the Association. Nothing contained in this section prohibits a person serving as a Director from contracting with the Association to provide services outside of the scope of his/her duties as a Director, provided, however, that such services are secured by the Association at the prevailing market rate or lower so as to avoid a conflict of interest by such Director.
7. Action Without a Meeting. The Directors have the right to take any action in the absence of a meeting which could have been taken at a meeting by obtaining the written approval of **all** the Directors. Such action has the same effect as though taken at a meeting of the Directors. In the event of an emergency-type Board action, the Board cannot take up non-emergency matters.

8. Liability of Board Members. No Member of the Board is personally liable to any Member, his/her family, guests, or assigns for any damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, its representatives or employees provided that such Board Member has, upon the basis of such information as may be possessed by him/her, acted in good faith.

III. OFFICERS

1. Officers. The officers of the Association are the President, Vice President, Secretary and Treasurer, all of whom will be elected by the Board at its first meeting immediately following the Annual Meeting of the Association Members. The Board may designate any other officers that the Board determines are necessary for the effective management of the Association. The offices of Secretary and/or Treasurer may be filled by a non-Board member.
2. Duties of the President. The President will preside at the meetings of the Directors and Members and has general charge of and is responsible for the affairs of the Association. The President has the authority to appoint any committees that are required and is an ex-officio Member of all such appointed committees except in the case of the Nominating Committee. All appointments to committees are subject to the approval of the Board. Each Committee will select its own Chair.
3. Duties of the Vice President. In case of the disability or absence of the President, the Vice President is vested with all the powers and duties of the President. In the event of the incapacity of the Vice President to serve as President, the Board may elect a President *pro tem* to fill out the President's unexpired term.
4. Duties of the Secretary. The Secretary will keep a current register of the Members of the Association, will keep records of the proceedings of meetings of Members and Directors and will give notices as are required by these Bylaws.
5. Duties of the Treasurer. The Treasurer will keep accounts of all monies of the Association received and all monies disbursed and will prepare all required reports, including those required by various government agencies. The Treasurer will prepare a statement of income and expenditures to be presented to the Members at the annual meeting, and deliver a copy of each to the Members. The Treasurer will cause an annual review, compilation or audit of the books of the Association to be performed within 180 days after the end of the association's fiscal year and will make that audit, review or compilation available upon request to the unit owners within 30 days after its completion.
6. Multiple Offices. The office of Secretary and Treasurer may be held by the same person. No person can simultaneously hold more than one of any other office, except in the case of special offices created pursuant to this Article.
7. Term of Office. Each officer will serve until the next Annual election or until his successor is selected and approved by the Board.

8. Delegation of Duties. The officers may delegate their duties to a Property Manager hired by the Board, including the collection of assessments, the purchase of services and goods and the payment of expenses of the Association.

IV. SEAL

If required by any governmental agency, or any other person or entity with whom the Association is dealing, the Association will obtain and maintain a corporate seal. Such seal will be a circular seal with the name of the Association around the border and the words “Corporate Seal” and “Arizona” in the center. The Secretary will keep the corporate seal and affix the seal to any instruments requiring the seal as may be directed by the Board.

V. AMENDMENTS

These Bylaws may be amended at any meeting of the Board by a majority vote of the Board Members. Such amendments to these Bylaws will be in full force and effect from and after the date of their enactment. Upon enactment, the Board will provide a copy of the amendments to the Members.

VI. INDEMNIFICATION OF DIRECTORS AND OFFICERS

1. The Association will indemnify any and all of its Directors, Officers, former Directors and former Officers to the full extent permitted under Arizona law against all expense incurred by such persons, including but not limited to legal fees, costs, judgments, fines and amounts paid in settlement which may be incurred, rendered or levied in any legal action brought against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of his or her duties as a Director or officer of the Association.
2. The Association may indemnify an individual who is or was a Director, and a party to a proceeding against whom liability was found if both of the following conditions exist:
 - a. The individual's conduct was in good faith.
 - b. The individual reasonably believed (i) In the case of conduct in an official capacity with the Association, that the conduct was in its best interests; (b) In all other cases, that the conduct was at least not opposed to the Association’s best interests.
3. The authority to indemnify an Officer or Director is more fully set forth in A.R.S. §10-3851 of the Arizona Nonprofit Corporation Act.

VII. BOOKS AND RECORDS

The Association's books and records are available for inspection by any Member. In accordance with Arizona law, any Member wishing to review these books and records must provide a written request setting forth the proper purpose for the inspection. Upon receipt of the request, the Member will be entitled to inspect the records during reasonable business hours and to have copies made of any documents, at the Member's expense, in an amount not to exceed \$.15 per page. The Governing Documents are available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

VIII. MISCELLANEOUS

1. Fiscal Year. The fiscal year of the Association will begin on the first day of January and end on the last day of December of every year.
2. Conflicts between Documents. In the event of any conflict between the Bylaws, Articles of Incorporation and Declaration, the Declaration will prevail. If there is a conflict between the Bylaws and the Articles of Incorporation, the Articles will prevail.

These Amended and Restated Bylaws were adopted on _____, 20 ____

Colony Monterey Association

By: _____

Its: President

Attest:

Secretary