

**AMENDED AND RESTATED BYLAWS
OF
LAKE PATAGONIA RANCH PROPERTY OWNERS ASSOCIATION A**

An Arizona nonprofit corporation

April 18, 2009

**ARTICLE I
GENERAL PROVISIONS**

- 1.1. Name. The name of this nonprofit corporation ("Association") is Lake Patagonia Ranch Property Owners Association A.
- 1.2. Principal Office. The principal office of this corporation is at such place within Maricopa or Santa Cruz County, Arizona as determined by the Board.
- 1.3. Defined terms. Terms used but not defined in these Bylaws will have the meanings specified in the Declaration of Covenants, Conditions, and Restrictions for Lake Patagonia Ranch recorded on July 1, 2009 in Document No. 2009-06038, Official Records of Santa Cruz County, Arizona ("Declaration").
- 1.4. Conflicting Provisions. If there is any conflict between the Articles of Incorporation ("Articles") for the Association and these Bylaws, the terms of the Articles will control. In the case of any conflict between the Declaration and these Bylaws, the Declaration will control. This provision shall be amended or repealed only in accordance with the most stringent amendment provision regarding amendment or repeal then contained in Arizona law, these Bylaws, the Articles and the Declaration.
- 1.5. Designation of Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors.
- 1.6. Books and Records. The books and records of the Association will be available for inspection by any Owner of a Parcel (each a "Member") or the Member's authorized agents during reasonable business hours for a proper purpose. The books and records of the Association may be withheld from disclosure for any of the reasons specified in Arizona law.
- 1.7. Amendment. These Bylaws may only be amended or repealed, and new Bylaws adopted by two-thirds of the votes cast or a majority of the voting power of the Association, whichever is less.
- 1.8. Open Meetings. The Board shall hold its meetings open to the Members in accordance with Arizona law. The Board also may suspend the right of a Member to attend Board meetings for violations of the Community Documents.
- 1.9. Exemption of Private Property. The private property of each and every officer, Director, and Member of this Association at all times is exempt from all debts and liabilities of the Association.

**ARTICLE II
MEETINGS OF MEMBERS**

- 2.1. Annual Member Meeting. The annual meeting of the Members will be held each year on the third Saturday of October of each year at 10:00 a.m., or such other date and time as fixed by the Board not more than thirty (30) days before or after such date. The annual meeting of the Members shall held be at the offices of the Association, at Lake Patagonia Ranch or at another reasonable place within Santa Cruz County. At such meeting, Directors shall be elected in accordance with these Bylaws. The Members may also transact such other business of the Association as may properly come before them.
- 2.2. Special Member 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 by a written request signed by Members having at least twenty five percent (25%) of the total number of eligible votes of the Members in the Association. Such request shall state the purpose or the purposes of the proposed meeting. For a special meeting of the Members to remove one or more Directors, the petition process, notice and quorum requirements for the meeting shall conform to Arizona law, notwithstanding any inconsistent provision in these Bylaws.
- 2.3. Notice of Member Meetings. Written notice of each meeting of the Members will be given by, or at the direction of, the Secretary or person authorized to call the meeting by hand delivery, email or by mailing a copy of each notice, postage prepaid, at least ten (10) days and not more than forty five (45) days before the meeting to each Member entitled to vote at that meeting addressed to the Member's address last appearing on the books of the Association or supplied by the Member to the Association for the purpose of notice. The notice must specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. The business transacted at any meeting of Members shall be limited to the purposes stated in the notice, unless waived by consent of two-thirds (2/3) of the Members present and entitled to vote, either in person, by absentee ballot or by some other form of delivery. By attending a meeting, a Member waives any right he/she may have had to object to the meeting on the basis that the proper notice of the meeting was not given in

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accordance with these Bylaws or Arizona law. The failure of any Member to receive actual notice of a meeting of the Members does not affect the validity of any action taken at that meeting.

2.4. Member Quorum and Voting. Except as otherwise provided in the Articles, the Declaration, or these Bylaws, the presence (at the beginning of the meeting) in person or by proxy, by absentee ballot or by some other form of delivery of Members in good standing and entitled to cast one-third (1/3) or more of the total number of eligible votes in the Association constitutes a quorum for the purposes of holding a duly called and noticed meeting of the Members. If a quorum is not present at any meeting, the Members eligible to vote at the meeting will have the power to adjourn the meeting and to reschedule the meeting to another date and time without additional notice other than announcement at the meeting. At any subsequent meeting, the presence (at the beginning of the meeting) in person, by absentee ballot or by some other form of delivery of Members entitled to cast at least one-sixth (1/6) of the total number of eligible votes in the Association constitutes a quorum for the subsequent meeting. If a quorum is not present at the subsequent meeting, the Members eligible to vote at the meeting will have the power to adjourn the meeting and to reschedule the meeting to another date and time without additional notice other than announcement at the meeting. Whenever the terms "eligible" votes or "eligible" Members are used in these Bylaws, both terms describe those Members that are permitted to vote on the matter and whose voting privileges have not been suspended or revoked. All approvals must be affirmatively given and may not be made in the negative or based on non-responses. Any Member who fails to object to any perceived or actual irregularity at the meeting (whether procedural, parliamentary, substantive or technical) forever waives that claim. Except as otherwise provided in the Articles, the Declaration or these Bylaws, an action submitted to the Membership shall be approved by a majority vote of a quorum of the Membership present or voting by proxy or absentee ballot.

2.5. Proxy Voting. Any vote of the Membership may be by proxy. Proxies must be in writing and signed by the owner, with the proxy being limited to a specific and designated meeting and/or any adjournment thereof of the Membership or the Board of Directors.

2.6. Absentee Ballots. At all meetings of the Members, votes may be cast in person, by absentee ballot or by some other form of delivery. To be valid, an absentee ballot must be duly executed in writing or otherwise verified as determined by the Board, and an absentee ballot will be valid only for the particular meeting designated in the absentee ballot. All absentee ballots must be filed with the Secretary at least twenty-four (24) hours before the beginning of the meeting for which the absentee ballot is given. An absentee ballot may not be revoked or changed once cast. A mail vote shall be allowed in conformance with Arizona law.

2.7. Eligibility. The Membership of the Association will consist of all Owners of Parcels. Membership in the Association is mandatory, and no Owner during his/her Ownership of a Parcel will have the right to relinquish or terminate the Membership in the Association. By accepting a deed to a Parcel or otherwise becoming an Owner, each Owner enters into a contract with the Association and the other Owners whereby the Owner becomes a Member of the Association and is bound by the terms of the Declaration, Rules, Articles and Bylaws, all as may from time to time be amended.

2.8. Joint Ownership. When more than one person is the Owner of any Parcel, all Owners will be considered Members in the Association. The vote for a multiple-Owner Parcel will be exercised as they, among themselves, determine; however, no more than one (1) vote may be cast with respect to any Parcel. The vote for each Parcel must be cast as a whole unit, and fractional votes are not allowed. If joint Owners are unable to agree among themselves as to how their vote or votes are to be cast, they will lose their right to vote on the matter in question. If any Owner casts a ballot representing a certain Parcel, it will thereafter be conclusively presumed for all purposes that the Owner was acting with the authority and consent of all other Owners of the same Parcel. If more than one ballot is cast for a particular Parcel, none of the votes will be counted, and the votes will be deemed void.

2.9. Corporate Ownership. If any Parcel is owned by a corporation, partnership, limited liability company, association, or other legal entity, that legal entity will be the Member and that legal entity must designate, in writing, at the time of acquisition of the Parcel, an individual who has the power to vote for the Parcel. In the absence of a designation and until a designation is made the chief executive officer or managing partner or managing Member, as applicable, of the corporation, partnership, limited liability company, association, or other legal entity will have the power to cast the vote for the Parcel. If there is no chief executive officer or managing partner or managing Member, the Board of Directors of the Association will have the power to designate the person authorized to vote.

2.10. Suspension of Rights. If any Owner is in arrears in the payment of any assessments or other amounts due under any of the provisions of the Declaration for a period of thirty (30) days after its due date, the Owner's right to vote as a Member and otherwise enjoy the privilege of Membership in the Association will be suspended and will remain suspended until all payments, together with accrued interest, late charges, attorney's fees and other applicable charges, are brought current and kept current. A Member that has been suspended remains liable for all assessments and other fees that arose before and after the suspension. The Association shall suspend Membership rights pursuant to the following procedure as set forth in Arizona Non-profit Corporation Act A.R.S. 10-3621(B):

(A) The Member shall be sent a written notice to last address of the Member shown on the corporation's records at least fifteen days before the suspension and the reasons therefore.

(B) The Member shall be given an opportunity to be heard by the Board, orally or in writing, at least five days before the effective date of the suspension.

(C) Any suspension imposed by the Association shall be fair and reasonable taking into consideration all of the relevant facts and circumstances.

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2.11. Action by Written Ballot. Any matter or issues requiring the vote of the Members other than the election of directors may be submitted for vote by written ballot without a meeting of the Members. The determination to conduct a vote in this fashion shall be made by a majority of the Board or by Members having one-third of the total votes of the membership signing a written request and delivering same to the Secretary. In the event of such a vote, the Board shall give written notice thereof specifying the time and place where the ballots are to be cast and the question or questions to be voted upon. Such notice shall then be mailed to the Members at least 10 days prior to the date that the ballot should be received and counted and shall include the form of ballot to be used.

ARTICLE III BOARD OF DIRECTORS

3.1. Number of Directors. The affairs of this Association will be managed by a Board of Directors. The Board of Directors will be elected by the Members. All Directors must be Members of the Association. There may only be one Director from a Parcel. The Board will be comprised of no less than five (5) persons. If a Director has his/her rights suspended pursuant to Arizona law, that Director is immediately removed from the Board without the necessity of any further action. The Board may replace that Director pursuant to Article III, Section 3.6 below. Members of the Board may not hold title to a Parcel in marital community, joint tenancy, tenants in common or in other ownership with another Member of the Board or an officer of the Association.

3.2. Board Term of Office. Except as provided herein, each Director shall be elected for staggered three (3) year terms, or until his/her replacement is chosen. If the size of the Board changes, the Board shall designate how the transition to three (3) year terms shall be achieved in light of more or fewer Directors, except that no incumbent Director's term shall be changed. The Board shall have the right to adjust the term(s) of any candidate(s) to fulfill the intention of this paragraph.

3.3. Removal and Resignation.

3.3.1 Removal of a Director by the Membership. Any Director may be removed, with or without cause, from office upon the affirmative vote representing 80% of the total membership at a meeting of the membership called and noticed for this purpose. The Director shall be given an opportunity to be heard prior to a vote of the Members. In the event of any removal, a successor shall be elected by a vote of the Members.

3.3.2 Resignation or Board Declared Vacancy. Any Director may resign at any time by giving written notice to the Board, the President, or the Secretary, and the resignation will be effective as of the date of its receipt. Should any Director fail to attend three consecutive meetings of the Board and be unable to perform his or her duties, that Director's seat on the Board may be declared vacant by a majority vote of the Board of Directors. In the event of a resignation or a vacancy on the Board, a replacement Director shall be appointed by the Board for the remainder of the term pursuant to Section 3.6 of these Bylaws.

3.4. Compensation. No Director will receive compensation for any service rendered to the Association; however, any Director may be reimbursed for actual expenses incurred or in accordance with standard reimbursement rates approved by the Board in the performance of duties, as approved in advance in writing by the Board of Directors.

3.5. Nomination and Election of Directors. Directors shall be elected by the Members at each annual meeting. At least forty-five (45) days prior to any annual meeting, the Board of Directors may select a Nominating Committee. The Nominating Committee can recommend for the annual meeting one (1) or more nominee(s) for each position on the Board of Directors to be filled at that particular annual meeting. Nomination for the Board of Directors may also be made by request or by volunteer(s) indicating their willingness to serve as a Director if elected. The request or indication of a volunteer should be filed with the Board at least twenty (20) days before the annual meeting. The election of Directors shall be by secret written ballot, but the Board may require Members to sign ballots or otherwise mark them for purposes of authenticity. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be used in the election of Directors.

3.6. Vacancies on the Board. Vacancies on the Board caused by any reason other than the removal of a Director in accordance with the provisions of Section 3.3 of these Bylaws will be filled by a recommendation by the President and majority vote of the remaining Directors at the first regular or special meeting of the Board held after the occurrence of the vacancy, even though the Directors present at the meeting may constitute less than a quorum. Each person so elected will serve the remaining term of the vacancy being filled.

3.7. Notice to Members of Board Meetings. Written notice of any regular or special meetings of the Board need not be given specifically to each Member, and notice of any regular or special meeting of the Board may be given in any manner determined by the Board including conspicuous posting, newsletter, reminder notices with assessment invoices, or calendaring. Notwithstanding the foregoing, however, the Board is not required to provide any notice to the Members of emergency meetings of the Board.

3.8. Regular Board Meetings. Regular meetings of the Board may be held at the time and place determined from time to time by the Board. Regular meetings will be held at least once during each fiscal year and must comply with Section 1.8 of these Bylaws. Without further notice to the Members, an organizational meeting may be held immediately after the election of Directors at or after the annual meeting.

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3.9. Special Board Meetings. Special meetings of the Board of Directors may be called by the President on at least two (2) business days notice to each Director, given in writing by hand delivery, mail, telecopy or other method reasonably designed to be timely received. This notice must state the time, place, and purpose of the special meeting. Special meetings of the Board may be called by the Secretary in like manner and on like notice upon the written request of any two (2) Directors.

3.10. Quorum of Directors. A majority of the Directors present at the beginning of the meeting will constitute a quorum for the transaction of business. Unless otherwise specified by these Bylaws, the Articles, or the Declaration, 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 will be regarded conclusively as the act of the Board. If a quorum is not present at any meeting, the Directors eligible to vote at the meeting will have the power to adjourn and reschedule the meeting to another date and time until a quorum is present. No Director or Officer shall have the power to transact any business of the Association except as authorized by a majority vote of the Board.

3.11. Board Action without a Meeting. The Board may act unanimously without a meeting if all of the Board shall individually or collectively consent in writing to such action. The written consent must describe the action taken. Such consent shall be filed with the minutes of the Board. Such action is effective upon the signature of the last director unless the consent specifies a different effective date.

3.12. Powers of the Board. The Board will have all of the powers necessary for the administration of the affairs of the Association and may exercise all rights and powers granted to the Association under the governing documents and may perform all acts and make all decisions that are not required by the governing documents to be exercised or performed by the Members. Specifically, but without limitation of the previous sentence, the Board will have the following powers and duties:

- (1) Open bank accounts on behalf of the Association and designate the signatories of the Association;
- (2) Contract for and pay for maintenance, utilities, materials, supplies, labor and services, that may be required from time to time in relation to any Association property;
- (3) In the exercise of its sole discretion, enforce by legal means the provisions of the Declaration including, without limitation, the collection of any assessments;
- (4) Prepare, amend, and adopt an annual budget for the Association before the commencement of each fiscal year;
- (5) Exercise, on behalf of the Association, all powers, duties, and authority vested in or delegated to the Association and not reserved to the Members by Arizona law or the provisions of the Declaration;
- (6) Declare the office of a Director of the Board of Directors to be vacant if a Director is absent from three (3) consecutive regular meetings of the Board;
- (7) Employ, hire, and dismiss all employees of the Association as the Board deems necessary and to prescribe their duties and their compensation;
- (8) Hire, employ, or terminate a manager, whether as an independent contractor or as an employee and delegate to that manager the power to perform all services and duties as the Board may direct;
- (9) Keep or cause to be kept a complete record of all acts of the Board and all corporate affairs and to establish procedures for inspections of the books and records of the Association by Members with a proper purpose for inspection, including establishing a reasonable fee (payable in advance) for all copies requested by a Member of the books and records;
- (10) As more fully provided in the Declaration to: (i) fix the amount of the annual and special assessments against each Parcel; (ii) send written notice of each assessment to every Owner subject to an assessment; (iii) assess a late charge for any late payments; (iv) record a notice and claim of lien against any Parcel for which assessments are not paid; and (v) enforce, through foreclosure or any other permitted action, the Association's lien or the personal obligation of the Owner to pay assessments;
- (11) Issue, or cause an appropriate officer to issue, to any appropriate person, any disclosure statement required under Arizona law or any payment statement required under Arizona law, subject to the right of the Board to impose a reasonable charge for the issuance of these statements;
- (12) Procure and maintain commercial general liability, hazard, D&O and other insurance coverage or bonds in the amounts as required or permitted by the Declaration;
- (13) Institute, defend, and intervene in any litigation or administrative proceedings in its own name or on behalf of the Owners;
- (14) Enter into and perform contracts of any kind incidental to the performance of the Association's duties;
- (15) To exercise all power vested in the Board under the Articles of Incorporation, these Bylaws, the Restrictions, and under the laws of the State of Arizona;

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- (16) Pay all taxes, special assessments and other assessments and charges which are or would become a lien on Association property;
- (17) Subject to the provisions of the Restrictions, to adopt and establish rules and regulations governing Architectural Control, and to take such steps as it deems necessary for the enforcement of such rules and regulations;
- (18) To carry out such duties as provided for in the Restrictions;
- (19) If and when the Board deems it appropriate, to delegate its duties and powers hereunder to the officers of the Association;
- (20) To maintain a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles, and at no greater than annual intervals cause to be prepared a financial statement, a summary of which shall be mailed or sent electronically to each Member within thirty days after completion;
- (21) The Board of Directors shall not enter into agreements for any capital improvements without the approval of a majority vote of the Members.

3.13. Committees of Board. The Board may appoint committees to study or address specific matters of the Association. Committees designated by the Board are neither subject to the open meeting requirements of Section 1.9 of these Bylaws nor Arizona law.

ARTICLE IV OFFICERS AND THEIR DUTIES

- 4.1. Officers. The principal officers of the Association will be the President, the Vice President, the Secretary and the Treasurer all of whom will be elected by the Board. Those four officers must be Members.
- 4.2. Election of Officers. The election of officers will take place at the first meeting of the Board following each annual meeting of the Members.
- 4.3. Officer Term. The officers of the Association will be elected annually by the Board, and each officer will hold office for one (1) year unless he/she sooner resigns, is removed, or is otherwise disqualified to serve. Except as otherwise provided herein, officers shall hold office until their successors are chosen and qualify.
- 4.4. Special Appointments. The Board may elect any other officers as the affairs of the Association may require, each of whom will hold office for the period, have the authority, and perform the duties as the Board may determine from time to time.
- 4.5. Resignation and Removal of Officers. Any officer may be removed from office with or without cause by majority affirmative vote of the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Any officer resignation will take effect on the date of receipt of the resignation notice. Acceptance of the resignation will not be necessary to make it effective. Any Officer removed pursuant to this section 4.5 remains a Director on the Board of Directors unless removed pursuant to Section 3.3.
- 4.6. Vacancies in Offices. A vacancy in any office shall be filled by appointment by a majority vote of the Board of Directors. The officer appointed to the vacancy will serve for the remainder of the term of the officer replaced.
- 4.7. Multiple Offices. The office of the Treasurer and Secretary may be held simultaneously by the same person. One person may not simultaneously hold more than one of any of the other offices, including special offices created pursuant to Section 4.4 of these Bylaws. No officer may hold title to property within the Association in marital community, joint tenancy, tenants in common or in other ownership with another Member of the Board or an officer of the Association.
- 4.8. Powers and Duties of Officers. In addition to the execution of any affidavit of notice of the type described in Arizona law and the preparation and delivery of any disclosure statement required under Arizona law, where and when delegated to the officers by the Board, the powers and duties of the officers are as follows:
 - (1) President. The President will preside at all meetings of the Board and the Members, ensure that orders and resolutions of the Board are carried into effect; and, at the direction of the Board, engage in the general and active management of the business of the Association;
 - (2) Vice President. The Vice President will act in the place and stead of the President in the event of absence, inability, or refusal to act, and will exercise and discharge other duties as may be required by the Board. If neither the President nor Vice President is able to act, the Board of Directors shall appoint some other Director to do so on an interim basis;

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(3) Secretary. The Secretary need not be a director, but shall be elected by the Board of Directors. The Secretary will 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 all other duties as required by the Board; and shall have the right to demand proof of Parcel ownership prior to accepting a person or entity as a Member.

(4) Treasurer. The Treasurer need not be a Director, but shall be elected by the Board of Directors. The Treasurer will receive and deposit in appropriate bank accounts all monies of the Association and will disburse all funds as directed by the Board; keep proper books of account; prepare an annual budget and a statement of income and expenditures of the Association; and, in general, perform all the duties incident to the office of the Treasurer or as required by the Board.

4.9 Delegation of Duties. The Secretary and Treasurer may delegate their duties to the Association’s manager, officers, employees or independent contractors, but will remain responsible for supervising the execution of those duties.

**ARTICLE V
INDEMNIFICATION**

5.1. Indemnification. The Association has the power and authority to indemnify any past or present Member, officer, Director, incorporator, employee, or agent of the Association to the fullest extent permitted by Arizona law. This power of indemnification extends to third-party actions and derivative actions, and includes indemnification for attorney fees, court cost, and other related expenses in addition to indemnification for judgment amounts.

5.2. Procedure. The circumstances and procedures for effecting an indemnification by the Association will be governed by Arizona law as amended from time to time or supplemented by Arizona case law.

5.3. Scope of Article. The indemnification provided by this Article V is not exclusive of any other rights to which those indemnified may be entitled under any agreement approved by the Members or a majority of the disinterested Directors or otherwise, both as to an action in the person’s official capacity and as to an action in another capacity while holding the office.

5.4. Liability. So long as they have acted in good faith on the basis of information actually possessed, neither the Architectural Committee nor any Member of the Architectural Committee nor the Board nor any Director nor any Officer of the Association will be liable to the Association, any Owner, or to any other party for any damage, loss, or prejudice suffered or claimed on account of: (i) the approval or disapproval of any plans, drawings, or specification, whether or not defective; (ii) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specification; (iii) the development of any portion of the Property; (iv) the execution and filing of any estoppel certificate, whether or not the facts in the estoppel certificate are correct; (v) any act or failure to act by the Association, Board, or Architectural Committee; or (vi) the failure to provide a statement or an accurate statement of the matters required under Arizona law.

I certify that the foregoing Bylaws were duly adopted by the Members of the Association as of April 18, 2009.

Patti Ritter

Secretary

STATE OF ARIZONA)
) ss;
County of Maricopa)

The foregoing instrument was acknowledged before me on this 24 day of July, 2009, by Patti Ritter, the Secretary of Lake Patagonia Ranch Property Owners Association A, who executed the foregoing on behalf of the corporation, being authorized so to do for the purposes therein contained.



MARSHA K GRIEP
Notary Public - Arizona
Maricopa County
Expires 10/31/09

Marsha K. Griep
Notary Public

Notary Seal and Expiration