

AMENDED AND RESTATED BYLAWS
OF
PUEBLO BONITO COMMUNITY ASSOCIATION

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ARTICLE 1

OFFICES

Section 1.1 Principal Office. The Association shall maintain a principal office in Maricopa County, Arizona.

Section 1.2 Other Offices. The Association may maintain offices at any other place or places, in or out of Arizona.

ARTICLE 2

DEFINITIONS

Capitalized terms not defined in the bylaws shall have the same meaning as in the declaration.

Section 2.1 "Association" shall mean PUEBLO BONITO COMMUNITY ASSOCIATION, its successors and assigns.

Section 2.2 "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions recorded as Document No. 92-0324215 of records of Maricopa County, Arizona.

Section 2.3 "Member" shall mean those persons entitled to membership as provided in the Declaration and in the articles of the Association.

ARTICLE 3

DIRECTORS

Section 3.1 Number. As provided in the articles, the initial Board of Directors shall consist of three directors. The Board of Directors may by unanimous agreement, increase the number of directors but not to exceed a total of nine directors.

Section 3.2. Election. Directors shall be elected by a majority vote of the Members voting, in the manner specified in the declaration and articles.

Section 3.3. Compensation. No director shall receive compensation for services to the Association except as provided in the Declaration. The Association may reimburse directors for actual expenses incurred in the performance of duties for the Association.

ARTICLE 4

MEETINGS OF MEMBERS

Section 4.1 Meetings. The Members shall meet at least Annually at times as designated by the Board of Directors or required by law.

Section 4.2. Notice of Meetings. Written notice of meetings of the Members shall be given by, or at the direction of, the secretary by mailing notice at least ten days before each meeting to Members entitled to vote at the meeting, addressed to the Member's last address known to the Association. The notice shall specify the place, day, hour and purpose of the meeting.

Section 4.3. Quorum. The presence at a meeting of Members or their ballot entitled to cast at least one-tenth of the votes of all Members eligible to vote shall constitute a quorum except as otherwise provided in the articles or the Declaration. If a quorum is not present or represented at any meeting, the Members or ballots present may adjourn the meeting from time to time, without notice other than announcement at the meeting.

ARTICLE 5

MEETINGS OF DIRECTORS

Section 5.1. Regular Meetings. Regular meetings of the Board of Directors shall be held pursuant to Arizona law at the time and place fixed by resolution of the Board of Directors.

Section 5.2. Special Meetings. Special meetings of the directors shall be held when called by the president of the association, or by any two directors, after not less than two days' notice to each director by phone or by mail.

Section 5.3. Quorum and Minutes A majority of the number of directors shall constitute a quorum. Every act or decision done or made by a majority of the directors present and voting at a duly held meeting at which a quorum is present shall be the act of the Board of Directors.

Section 5.4. Action Taken Without a Meeting. The directors may take any action by written consent of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE 6

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 6.1. Powers. The Board of Directors, in addition to the powers granted to it by law, shall have power to:

6.1.1 Adopt and publish rules and regulations governing the use of the Common Area facilities, and the personal conduct of the Members and their guests thereon, and establish penalties for the infraction thereof;

6.1.2 Suspend the right to vote for directors and the right to use of the Common Area of each Member during any period in which such Member is in default in the performance of any provision of the Declaration or the payment of any assessment levied by the Association. Such rights may also be suspended, after notice and hearing, for infraction of published rules and regulations;

6.1.3 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 the bylaws, the articles, or the Declaration;

6.1.4 Declare the office of any director vacant in the event such director is absent from three consecutive regular meetings of the directors: and

6.1.5 Employ a manager, independent contractor, or such other employees, consultants, attorneys, accountants and the like, as they deem necessary, and to prescribe their duties.

Section 6.2. Duties. It shall be the duty of the Board of Directors to:

6.2.1 Cause to be kept a complete record of all its acts and corporate affairs;

6.2.2 Supervise all the officers, agents and employees of Association, and see that their duties are properly performed;

6.2.3 As more fully provided in the Declaration:

(a) fix the amount of the assessment against each Lot at least thirty days in advance of each assessment period if determined annually, or at least ten days in advance if determined monthly;

(b) send written notice of each assessment to every Owner subject thereto at least thirty days in advance of each annual assessment period if payable annually or at least ten days prior to the monthly assessment period if payable monthly; and

(c) foreclose the lien against any property for which assessments are not paid after their due date or to bring an action at law against the Owner personally obligated to pay the same, or both;

6.2.4 issue, or cause an appropriate officer to issue, 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 of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

6.2.5 procure and maintain adequate liability, hazard and other insurance as required by the Declaration;

6.2.6 cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

6.2.7 cause the Common Area to be maintained; and

6.2.8 perform all other obligations imposed upon the directors by the Declaration.

ARTICLE 7

OFFICERS AND THEIR DUTIES

Section 7.1. Officers Titles. The Association shall have a president, vice-president, secretary, and treasurer, and such other officers as the Board of Directors may appoint. Officers need not be members of the Board of Directors.

Section 7.2. Term. The officers of this Association shall be appointed by the Board of Directors. Each officer shall hold office at the pleasure of the Board of Directors.

Section 7.3. Duties. The duties of the officers are as follows:

7.3.1 President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, deeds and other written instruments and may sign all checks and promissory notes.

7.3.2 Vice-President. The vice-president shall act in the place and stead of the president in the event of absence, inability or refusal to act, and shall exercise and discharge such other duties as required by the Board of Directors.

7.3.3 Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Members and the Board of Directors. The secretary shall also serve notice of meetings of the Board of Directors and of the Members when it is necessary to do so, keep appropriate current records showing the Members of the Association together with their addresses, and perform such other duties as required by the Board of Directors.

7.3.4 Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors, keep proper

books of account, cause an annual audit, review or compilation, in the sole discretion of the Board of Directors, of the Association's books at the completion of the fiscal year, and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting.

ARTICLE 8

COMMITTEES

The Board of Directors may appoint committees as deemed appropriate in carrying out its purpose.

ARTICLE 9

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessments are made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and cost of the action shall be added to the amount of such assessments. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of a Lot.

ARTICLE 10

AMENDMENTS

Section 11.1. A majority of a quorum of directors may amend the bylaws at a regular or special meeting or all directors may Amend the bylaws by consent.

Section 11.2. In the case of any conflict between the Articles and the Bylaws, the Articles shall control: and in the case of any conflict between the Declaration and the Bylaws, the Declaration shall control.

ARTICLE 11

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year except that the first fiscal year shall begin on the date of incorporation.

