AMENDED AND RESTATED BYLAWS
OF
AHWATUKEE BOARD OF MANAGEMENT, INC.

ARTICLE I
OFFICES

SECTION 1. Principal Office. In addition to its known place of business, the Corporation may maintain a principal office in Maricopa County, Arizona.

ARTICLE II
MEMBERSHIP

Membership in the Corporation, except for membership of the incorporators and the first Board of Directors, shall be limited to record owners of equitable title (or of legal title if equitable title has merged) of residential units constructed, or planned to be constructed, in Ahwatukee, Phoenix, Arizona.

One membership in the Corporation shall be issued to the record owner of equitable title (or legal title if equitable title has merged) of each residence unit. In the event any such residence unit is owned by two or more persons, whether as community property, by joint tenancy, tenancy in common or otherwise, the membership as to such residence unit shall be issued in the names of all the owners, and they shall designate to the Corporation in writing, at the time of issuance, one person who shall hold the membership and have the power to vote said membership. No membership shall be issued to any other person or persons except as they may be issued in substitution for outstanding memberships assigned to new record owners of equitable title (or legal title if equitable title has merged).

The annual assessment for each members shall be determined by the Board of Directors. Such assessment shall be due and payable in advance on January 1st of each year. A member must be current in the payment of the annual assessments to validate the membership and to entitle the member to all rights and privileges of same.

ARTICLE III
MEETINGS

SECTION 1. Annual Meetings. Annual meetings of the members of the Corporation shall be held on the first Wednesday in April of each year commencing in 1976. The directors named in the

Articles of Incorporation shall serve as the Board of Directors of this Corporation until the Developer of Ahwatukee has constructed and sole 90% of the total number of the residential units to be constructed within Ahwatukee. At the first annual meeting after the developer of Ahwatukee has constructed and sold 90% of the total number of residential units to be constructed within Ahwatukee, the number of directors elected shall be nine (9). Three (3) directors shall be elected to serve for one (1) year, three (3) directors shall be elected to serve for two (2) years, and three (3) directors shall be elected to serve for three (3) years. Thereafter, directors shall be elected by the members at the annual meeting of the Corporation. Three (3) directors shall be elected each year to serve a term of three (3) years and shall serve until their successors are elected and qualified. The members may also transact such other business of the Corporation as may properly come before them.

SECTION 2. <u>Notice of Annual Meetings</u>. The President or Secretary shall give or cause to be given notice of the time, place and date of each annual meeting by mailing or hand delivering such notice of the time, place and date of each annual meeting by mailing or hand delivery such notice at least five (5) days prior to such meeting to each member at the respective addresses of said members as they appear on the records of the Corporation.

SECTION 3. <u>Special Meetings of Members</u>. Special meetings of Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President as directed by resolution of the Board of Directors, or upon a petition signed by a majority of the members, and such petition shall state the purpose or purposes of such proposed meeting. No business shall be transacted at a special meeting, except as stated in the notice unless by consent of three-fourths (3/4) of the members present, either in person or by proxy.

SECTION 4. <u>Notice of Special Meetings</u>. The President or Secretary or Assistant Secretary shall give or cause to be given notice of the time, place and purpose of holding each special meeting by mailing or hand delivering such notice at least five (5) days prior to such meeting to each member at the respective addresses of said members as they appear on the records of the Corporation.

SECTION 5. <u>Quorum</u>. A quorum for any meeting shall consist of those members of the Corporation who are present in person or represented by proxy unless the representation of a larger group shall be required by law, by the Articles of Incorporation, or by these Bylaws, and in that event representation of the number of so required shall constitute a quorum.

SECTION 6. <u>Voting Rights</u>. Each member being present in person or by proxy shall be entitled to one vote for each residence unit owned by said member.

SECTION 7. Adjournment of Meetings. If the number of members necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place of the meeting, the Chairman of the meeting, or a majority in interest of the members present in person or by proxy, may adjourn the meeting from time to time without notice other than an announcement at the meeting, until the necessary number of members shall be in attendance. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

SECTION 8. Proxies. A member may appoint only his or her spouse or a joint owner of his residence unit or any other member as a proxy. Any proxy must be filed with the Secretary before the appointed time of each meeting or upon the calling of the meeting to order.

SECTION 9. Waiver of Notice. Any member may at any time waive any notice required to be given under these Bylaws. The presence of a member in person at any meeting of the Corporation shall be deemed such a waiver.

ARTICLE IV
DIRECTORS

SECTION 1. Number and Qualification. The business, property and affairs of the Corporation shall be managed, controlled and conducted by a Board of Directors consisting of those members as set forth in the Articles of Incorporation and in Article III, Section 1 of these Bylaws.

SECTION 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Corporation, and may do all such acts and things as are not by laws or by these Bylaws directed to be exercised and done by the members. The powers of the Board of Directors shall include, but not be limited to, all of the rights and duties of the Board of Directors as set forth elsewhere in these Bylaws and the Articles of Incorporation, and in the Covenants, Conditions and Restrictions applicable to the property described in Article II above, and shall also include the power to promulgate such rules and regulations pertaining to such rights and duties as may be deemed proper and which are consistent with the foregoing. The Board of Directors may delegate such duties as appear in the best interests of the Corporation and to the extent permitted by law.

SECTION 3. <u>Election and Term of Office</u>. The Board of Directors named in the Articles of Incorporation shall serve until the developer of Ahwatukee has constructed and sole 90% of the total number of residential units to be constructed within Ahwatukee. At the first annual meeting after the developer of Ahwatukee has constructed and sold 90% of the total number of residential units to be constructed within Ahwatukee, the number of directors elected shall be nine (9). Three (3) directors shall be elected to serve for one (1) year, three (3) directors shall be elected to serve for two (2) years and three (3) directors shall be elected to serve for three (3) years. Thereafter, directors shall be elected by the members at the annual meeting. Three (3) directors shall be elected each year to serve for a term of three (3) years and shall serve until their successors are elected and qualified, all as prescribed in these Bylaws.

In the event of conflict concerning these Bylaws as amended, modified, revised or revoked by the directors, the action of the members shall prevail.

SECTION 4. <u>Vacancies</u>. Vacancies on the Board of Directors caused for any reason shall be filled by vote of the majority of the remaining directors even though they may consist of less than a quorum and each so elected shall serve as a director until the next annual meeting of the Corporation when his or her successor shall be elected by the members. The Ahwatukee Board of Management Board of Directors may remove from office any director who misses three (3) consecutive meetings for reasons other than extenuating personal circumstances, at the discretion of the remaining Board of Directors. Such removal of a director shall require a three-fourths (3/4) vote of the full Board of Directors, as distinguished from a vote of the quorum of the directors present at any such meeting.

SECTION 5. <u>Removal of Directors</u>. At any regular or special meeting of the members, any one or more of the directors may be removed with or without cause at any time by the affirmative vote of seventy-five percent (75%) of the entire membership of record and ~~a~~ successor may then be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

SECTION 6. <u>Compensation</u>. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid to a director for services performed by him for the Corporation in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.

SECTION 7. <u>Organizational Meeting</u>. The first meeting of a newly elected Board of Directors shall be held immediately following the annual meeting of the Corporation, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

SECTION 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for the meeting.

SECTION 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least fifty percent (50%) of the directors.

SECTION 10. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 11. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

SECTION 12. Adjournments. The Board of Directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary in the interests of the Corporation, provided that no meeting may be adjourned for a period longer than thirty (30) days.

ARTICLE V
OFFICERS

SECTION 1. Designation of Titles. The principal Officers of the Corporation shall be chosen by the Board of Directors from its own members and shall be a President, a Vice President, a Secretary and a Treasurer. The Board of Directors may also choose an Assistant Secretary and Assistant Treasurer who may or may not be a member of the Board of Directors, and such other officers as in their judgment may be necessary. Any number of offices may be held by the same person, except that the President may not at the same time hold the office of Vice President or of Secretary.

SECTION 2. Election of Officers. The officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of each new Board of Directors.

SECTION 3. Removal of Officers. Upon an affirmative vote of two-thirds (2/3) of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

SECTION 4. President. The President shall be the chief execute officer of the Corporation and preside at all meetings of the Members and Board of Directors. He shall have all the general powers and duties which are normally vested in the office of the President of a corporation, including but not limited to, the power to appoint committees from among the members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Corporation.

SECTION 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

SECTION 6. Secretary. The Secretary shall see that the minutes of all meetings of members and the Board of Directors are kept. He shall be the custodian of any seal of the Corporation and shall affix it to all proper instruments when deemed advisable by him. He shall give or cause to be given required notices of all meetings of the members and of the Board of Directors. He shall have charge of all the books and records of the Corporation except the books of account, and in general shall perform all duties incident to the office of Secretary of a corporation and such other duties as may be assigned to him.

SECTION 7. Treasurer. The Treasurer shall have general custody of all the funds and securities of the Corporation except such as may be required by law to be deposited with any state official. He shall see to the deposit of the funds of the

Corporation in such bank or banks as the Board of Directors may designate. Regular books of accounts shall be kept under his direction and supervision, and he shall render financial statements to the President, directors and members at proper times. The Treasurer shall have charge of the preparation and filing of such reports, financial statements, and returns as may be required by law. He shall give to the Corporation such fidelity bond, if required, and the premium therefore shall be paid by the Corporation as an operating expense.

SECTION 8. Assistant Secretaries. There may be such number of Assistant Secretaries as from time to time the Board of Directors may fix, and such persons shall perform such functions as from time to time may be assigned to them. No Assistant Secretary shall have power or authority to collect, account for, or pay over any tax imposed by any federal, state or city government.

SECTION 9. Assistant Treasurers. There may be such number of Assistant Treasurers as from time to time the Board of Directors may fix, and such persons shall perform such functions as from time to time may be assigned to them. No Assistant Treasurer shall have the power or authority to collect, account for, or pay over any tax imposed by any federal, state, or city government.

ARTICLE VI
POWERS, RIGHTS AND DUTIES OF THE CORPORATION AND MEMBERS

The Corporation and it members shall have all the powers, rights, duties and obligations set forth in the Articles of Incorporation for the Corporation, these Bylaws, rules and regulations pursuant thereto, and recorded Covenants, Conditions and Restrictions on the property, and as any of the same may be duly adopted or amended. No transfers of membership in the Corporation shall be made except as provided herein, and no such transfer shall be made upon the books of the Corporation within ten (10) days next preceding the annual meeting of the members.

The members and Board of Directors, or each of them, shall have the express authorization, right and power to enter into one or more management agreements with third parties in order to manage and maintain the public areas and promote efficiency and cooperation for the full enjoyment thereof by any of the grantees of the units within Ahwatukee, including the real property described in Article II herein, and to accomplish the duties and purposes set forth in the Articles of Incorporation for the Corporation and the Covenants, Conditions and Restrictions on the property. The terms of said management agreements shall be as determined by the Board of Directors to be in the best interests of the Corporation, and shall be subject to the Articles of

Incorporation, these Bylaws and the Declaration of Covenants, Conditions and Restrictions affecting said property.

ARTICLE VII
CORPORATE SEAL

A corporate seal shall not be requisite to the validity of any instrument executed by or on behalf of the Corporation, but nevertheless, if in any instance a corporate seal is used, the seal shall be in circular form, shall have inscribed thereon the name of the Corporation, the year it was organized and the word "Arizona". If and when so directed by the Board of Directors, a duplicate seal may be kept and used by such officer or other person as the Board of Directors shall name.

ARTICLE VIII
MISCELLANEOUS

SECTION 1. Books and Accounts. Books and accounts of the Corporation shall be kept under the direction of the Treasurer and in accordance with the reasonable standards of accounting procedure and prudence.

SECTION 2. Auditing. At the closing of each fiscal year, the books and records of the Corporation shall be audited by a Certified Public Accountant, whose report will be prepared and certified. Based on such reports the Corporation will have available for inspection by its members a statement of the income and disbursements of the Corporation for each fiscal year.

SECTION 3. Inspection of Books. Financial reports, such as are required to be furnished, and the membership records of the Corporation shall be available at the principal offices of the Corporation for inspection at reasonable times by any members, or interested parties such as any first mortgagee.

SECTION 4. Execution of Corporation Documents. With the prior authorization of the Board of Directors, all notes, checks and contracts or other obligations shall be executed on behalf of the Corporation by any two individuals.

SECTION 5. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors and shall be subject to change by the Board of Directors should the Corporation practice subsequently necessitate such change.

ARTICLE IX
AMENDMENTS TO BYLAWS

SECTION 1. Amendment by the Members. These Bylaws may be amended by the affirmative vote of a majority of the members present or represented by proxy at any regular or special meeting, provided that a quorum as prescribed in Article III, Section 5 herein, is present at any such meeting. Amendments may be proposed by the Board of Directors or by a petition signed by at least fifty-one percent (51%) of the members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon. These Bylaws may not be amended insofar as such amendment would be inconsistent with the recorded restrictions on the property.

SECTION 2. Amendment by the Directors. The Directors of the Corporation by the affirmative vote of all of the Directors of the Corporation may amend or alter the Bylaws of the Corporation at any regular meeting or at any special meeting provided that no such alteration or amendment by the Board of Directors shall increase the powers of the Board of Directors. The statement of any proposed amendment shall accompany notice of any regular or special meeting at which such proposed amendment shall be voted upon. These Bylaws may not be amended insofar as such amendment would be inconsistent with the recorded restrictions on the property.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of the **AHWATUKEE BOARD OF MANAGEMENT, INC.**; and

That the foregoing Amended And Restated Bylaws constitute the Bylaws of said Corporation as duly amended and restated at a called and convened SPECIAL MEETING meeting of the MEMBERS.

IN WITNESS WHEREOF, I have hereunto subscribed my name for the Corporation this 20th day of OCTOBER, 1998.

Jack H Lindsay
SECRETARY Jack Lindsay