

AMENDED AND RESTATED BYLAWS OF
SANDS SCOTTSDALE HOME OWNERS ASSOCIATION

April 2015



TABLE OF CONTENTS

ARTICLE I: MEMBERSHIP; MEETINGS 4

 Section 1: Membership in the Corporation 4

 Section 2: Annual Meeting..... 4

 Section 3: Special Meetings 5

 Section 4: Notices 5

 Section 5: Quorum..... 5

 Section 6: Voting..... 5

ARTICLE II: OFFICERS: ELECTION, POWERS, AND DUTIES 6

 Section 1: Officers..... 6

 Section 2: Election of Directors, Director Terms, Term Limitations and Vacancies.. 6

 Section 3: Removal..... 7

 Section 4: Resignation..... 7

 Section 5: Executive Committee..... 7

 Section 6: President..... 8

 Section 7: Vice President..... 8

 Section 8: Treasurer..... 8

 Section 9: Secretary..... 8

 Section 10: Miscellaneous Duties and Powers..... 8

 Section 11: Indemnification of Directors and Officers..... 9

 Section 12: Compensation..... 9

SANDS SCOTTSDALE MASTER HOME OWNERS ASSOCIATION

BY-LAWS

ARTICLE III: DIRECTOR MEETINGS; MEETINGS OF THE EXECUTIVE COMMITTEE.....	10
Section 1: Meetings of Directors.....	10
Section 2: Notice.....	10
Section 3: Quorum.....	10
Section 4: Meetings of Executive Committee.....	11
Section 5: Compensation.....	11
Section 6: Action Without Meeting.....	11
ARTICLE IV: OFFICE AND SEAL.....	11
Section 1: Location.....	11
Section 2: Seal.....	11
ARTICLE V: MEMBERSHIP CERTIFICATES.....	12
Section 1: Certificates.....	12
Section 2: Mailing Address.....	12
Section 3: Transfer of Membership.....	12
Section 4: Registrar.....	12
Section 5: Closing Transfer Books.....	12
ARTICLE VI: MISCELLANEOUS.....	12
Section 1: Bonds.....	12
Section 2: Fiscal Year.....	12
Section 3: Voting Stock in Other Corporations.....	13
Section 4: Execution of Writing.....	13
Section 5: Execution of Certificates.....	13
Section 6: Respecting Certain Contracts.....	13
Section 7: Amendment.....	13

SANDS SCOTTSDALE MASTER HOME OWNERS ASSOCIATION

BY-LAWS

ARTICLE I

MEMBERSHIP; MEETINGS

Section 1 – Membership in the Corporation. Each owner of a residence within the property described in the Declaration of Covenants, Conditions and Restrictions for the Sands Scottsdale Home Owners Association shall automatically, upon becoming the owner of a residence, be a member of the Association, and shall remain a member of the Association until such time as his ownership cease for any reason, at which time his membership in the Master Association shall automatically cease. There exist three types of membership in the Association, all of which are equal in priority and right:

A. “Townhouse Membership” means a membership in the Association derived from ownership of property subject to the Amended and Restated Declaration of Covenants, Conditions and Restrictions Sands Scottsdale Townhouses One and Two recorded at instrument number 2008-0314126 in the official records of the County Recorder of Maricopa County, Arizona (“Townhouse Declaration”).

B. “Patio Home Membership” means a membership in the Association derived from ownership of property subject to the Declaration of Covenants, Conditions and Restrictions recorded at Docket 10152, Page 315 in the official records of the County Recorder of Maricopa County, Arizona (“Patio Home Declaration”).

C. “Single Family Home Membership” means a membership in the Association derived from ownership of property subject to the Declaration of Covenants, Conditions and Restrictions recorded at Docket 10150, Page 42 in the official records of the County Recorder of Maricopa County, Arizona (the “Master Declaration”), but which is not subject to the Townhouse Declaration or the Patio Home Declaration.

Section 2 – Annual Meeting. An annual meeting of the members of the Association shall be held at least once every twelve (12) months at a date and time determined by the Board of Directors for the purpose of electing or announcing the results of the election of Directors and transacting such other business as may properly come before the meeting. In the event that for any reason the annual meeting shall not be held as herein provided, a subsequent meeting shall be held in lieu of and for the purposes of the annual meeting, such subsequent meeting to be called and held in the same manner as provided for special meetings of the members.

SANDS SCOTTSDALE MASTER HOME OWNERS ASSOCIATION

BY-LAWS

Section 3 – Special Meetings. Special meetings of the members may at any time be called on the order of the President, or a majority of the directors, and shall be called by the Secretary, or in the case of his death, absence, incapacity or refusal, by any other officer upon written application of one or more members who own at least twenty-five percent (25%) of the units entitled to vote at such meeting, stating the time and place and purpose of the meeting. All special meetings of the members shall be held in the State of Arizona.

Section 4 – Notices. A written or printed notice of any annual or special meeting of the members, stating the place, day, hour and purpose thereof, shall be given by the Secretary, or, in the case of his death, absence, incapacity or refusal, by a person designated by the Board of Directors or Executive Committee, at least twenty-four (24) hours before the date of the meeting to each member entitled to vote thereat, or entitled to receive notice thereof, by leaving such notice with the member at his residence or usual place of business, or by mailing the same, postage prepaid, directed to him at his address as last recorded on the books of the corporation. No notice of any meeting of the members shall be required if every member entitled to notice thereof or his attorney thereunto duly authorized waives such notice by a writing filed with the records of the meeting either before or after the holding thereof. No notice shall be necessary of an adjourned meeting of the members.

Section 5 – Quorum. Fifteen percent (15%) of the members entitled to vote represented at a meeting in person or by absentee ballot shall constitute a quorum for the transaction of business; but less than a quorum may adjourn from time to time or dissolve a meeting which has been called. If quorum is not established at a properly noticed meeting of the membership, the members may adjourn the meeting to a later date, time and place. No notice shall be necessary for any such later meeting so long as the date, time, and place of the later meeting are announced at the first meeting. Any ballots received at the first meeting may be effective at such later meeting. The vote of a majority of any quorum shall be sufficient to elect directors and transact any business, except as may be otherwise required or permitted by the provisions of the Articles of Incorporation and amendments thereto, or by law.

Section 6 – Voting. All elections for Directors of the Association shall be conducted by secret ballot and cumulative voting shall not be permitted.

SANDS SCOTTSDALE MASTER HOME OWNERS ASSOCIATION

BY-LAWS

ARTICLE II

OFFICERS: ELECTION, POWERS, AND DUTIES

Section 1 – Officers. The officers of the corporation shall be a President, a Vice President, a Secretary, and a Treasurer, any of which offices need not be filled during the operation of this corporation; an Executive Committee of the said Board, and such other officers, including but not limited, one or more vice presidents, one or more assistant treasurers, as the Board of Directors may elect or appoint. So far as permitted by law, the same person may simultaneously occupy more than one office except that the President may not at the same time hold the office of Vice President or Secretary. The officers of the corporation shall be elected annually at the first Board of Directors meeting following the Annual Meeting of the corporation.

Section 2 – Election of Directors, Director Terms, Term Limitations, and Vacancies. The Board of Directors shall consist of nine (9) directors composed and elected in the manner described in subsection B of this Section. Directors shall be elected to and shall serve staggered three-year terms as follows: One-third of the number of Directors shall be elected at each annual meeting, or each year if voting is conducted by mail, for three-year terms. All elections and appointments of Directors under these Bylaws shall be made in a manner to preserve the staggering of terms contemplated hereby.

If a Director shall fail to meet the qualifications of membership of the Board of Directors as set forth in subsection 2(A) above at any time during his term, he will thereupon cease to be a Director and his place on the Board shall be deemed vacant. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors shall be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum, at the next regular or special meeting of the Board. Notwithstanding anything to the contrary herein, any vacancy occurring in the Townhouse Director class shall be filled by the Townhouse Membership, as that term is defined in Article I, Section 1(A) above, at an election held at the next annual meeting or at a special meeting called for that purpose, whichever occurs first. A Director appointed to fill a vacancy shall be appointed for the full unexpired term of his predecessor in office.

A. Class of Directors. There shall be three (3) classes of Directors:

- i. General Director. A class of directors consisting solely of the holders of Single Family Home Membership.

SANDS SCOTTSDALE MASTER HOME OWNERS ASSOCIATION

BY-LAWS

- ii. Townhouse Director. A class of directors consisting solely of the holders of Townhouse Membership.
- iii. Patio Home Director. A class of directors consisting solely of the holders of Patio Home Membership.

If the holder of a Single Family Home Membership, Townhouse Membership, or Patio Home Membership is a corporation, partnership, or trust, an officer, partner, trustee, or beneficiary of such holder may serve as a Director.

B. Composition and Election of Board of Directors. Two (2) Directors, and no more than two (2), shall be Townhouse Directors, and one (1) Director, and no more than one (1), shall be a Patio Home Director. The remaining six (6) Directors shall be General Directors. Votes allocated to Townhouse Membership shall be cast only to elect Townhouse Directors and General Directors. Votes allocated to Patio Home Membership shall be cast only to elect Patio Home Directors and General Directors. Votes allocated to all other members shall be cast only to elect General Directors.

Section 3 – Removal. Any officers or director may for cause, and any officer elected or appointed by the Board of Directors may, for or without cause, be removed at any time by a majority vote of the Board. Any officer or director whom the members have power to elect may be removed for or without cause at any regular meeting of the members, or at any special meeting of the members called for the purpose, by a vote of the holders of a majority of the stock outstanding and entitled to vote.

Section 4 – Resignation. Any officer or director or member of the Executive Committee may at any time by resignation in writing delivered to the corporation resign his office and an acceptance thereof shall not be necessary to make such resignation effective unless so stated in the resignation.

Section 5 – Executive Committee. The Board of Directors may, by affirmative vote of a majority of the whole Board, elect at any time as Executive Committee of three (3) or more of its members, which Committee shall have and may exercise all of the powers vested in the Board of Directors during the intervals between the meetings of the Board. The Executive Committee may provide its own rules as to notice, if any, and procedure. The Committee shall report its proceedings to the next following meeting of the Board of Directors. The members of said Executive Committee shall hold office subject the pleasure of the Board of Directors, and

SANDS SCOTTSDALE MASTER HOME OWNERS ASSOCIATION

BY-LAWS

the Board may at any time remove one or more members of said Executive Committee and appoint another director in lieu of any member so removed.

Section 6 – President. The President, who shall be annually elected by and from the Board of Directors, shall, subject to the supervision of the Board, have general charge and control of all the affairs of the corporation and shall be its chief executive officer. The President shall preside at all meetings of the members and directors.

Section 7 – Vice President. The Vice President or vice presidents, if any, shall be annually elected by the Board of Directors. The Board of Directors may rank the vice presidents and designate one or more of them with such title in addition to that of vice president as the Board may deem appropriate to designate the status or function of a particular person. Each vice president shall have such powers and duties as the Board of Directors may prescribe, and in the absence of the president, a vice president designated by the Board shall have all the powers and duties of the president.

Section 8 – Treasurer. The Treasurer, who shall be annually elected by the Board of Directors, shall keep or cause to be kept regular books of account which shall be open at all times to the inspection of any director, and shall report to the Board of Directors on the financial condition of the corporation. The Treasurer shall have the custody of the corporate seal, of all documents of title and valuable papers, and unless and until the same be delegated by the Board of Directors to a Transfer Agent, of the stock and transfer books of the corporation. Subject to the supervision and control of the Board of Directors, the Treasurer shall receive and discharge the funds of the corporation and may borrow money on its behalf.

Section 9 – Secretary. The Secretary shall be annually elected by the Board of Directors, and shall be sworn to the faithful discharge of his duties. The Secretary shall attend all meetings of the members and Board of Directors; shall keep minutes of the business transactions thereat; and shall see to the giving and serving of notice of all meeting of the members.

In the event of the absence of the Secretary from any such meeting, an assistant secretary, who shall be sworn to the faithful discharge of his duties, shall be chosen who shall keep a true record of the business transacted thereat.

Section 10 – Miscellaneous Duties and Powers. In addition to the foregoing especially enumerated duties and powers, the several officers of the corporation shall be charged with

SANDS SCOTTSDALE MASTER HOME OWNERS ASSOCIATION

BY-LAWS

such other duties and shall have such other powers as may be delegated to them by the Board of Directors or may be imposed upon them by law.

Section 11 – Indemnification of Directors and Officers. Each person elected or appointed a director or officer of the corporation shall be entitled, without prejudice to any other rights he may have, to be reimbursed by the corporation for, and indemnified by the corporation against, all costs and expenses reasonably incurred by him in connection with or arising out of the claim made, or any action, suit or proceeding of whatever nature threatened or brought against him or in which he may be involved as a party or otherwise by reason of his having served as a director or officer of the corporation or by reason of any action alleged to have been taken or omitted by him as such director or officer, whether or not he continues to be such director or officer, at the time of incurring such costs and expenses, including amounts paid or incurred by him in connection with reasonable settlements (other than amounts paid to the corporation itself) of any such claim, action suit or proceeding. No such reimbursement or indemnity shall be paid or made for any cost or expense incurred or settlement made by such director or officer in connection with any matter as to which he shall be finally adjusted in any such action, suit or proceeding to have derelict in the performance of his duty as such director or officer, nor shall anything herein contained be construed so as to protect or to authorize the corporation to indemnify such director or officer against any costs or expenses incurred or settlement made in connection with any matter arising out of or resulting from his own negligence or willful misconduct. No director or officer of the corporation shall be liable to anyone for making any determination as to the existence or absence of liability of the corporation hereunder or for making or for refusing to make any payment hereunder, in reliance upon the advice of counsel. Each person elected or appointed a director or officer of the corporation shall, upon and by reason of such election or appointment, have the right to be reimbursed and indemnified by the corporation, as above set forth, with the same force and effect as if the corporation, to induce him to accept such election or appointment, specifically agreed in writing to reimburse and indemnify him in accordance with the foregoing provisions of this Section 13.

Section 12 – Compensation. The salaries of all officers and employees of the corporation shall be determined by the Board of Directors, but the Board may delegate to an officer or officers the determination of compensation of employees other than officers.

SANDS SCOTTSDALE MASTER HOME OWNERS ASSOCIATION

BY-LAWS

ARTICLE III

DIRECTOR MEETINGS; MEETINGS OF THE EXECUTIVE COMMITTEE

Section 1 – Meetings of Directors. A regular meeting of the Board of Directors shall be held in every year as soon as may be after the annual meeting of members, or a special meeting of the members held in lieu of such annual meeting, for the election of officers and such other business as may properly come before such meeting.

Any other regular meetings may be held at such time as may be fixed by the Board of Directors. Special meetings of the Board of Directors may be called on the order of the President or any two directors.

Any regular or special meeting of the Board of Directors may be held either within or without the State of Arizona.

A regular meeting or special Board of Directors meeting may furthermore be conducted by means of telephone or television so long as those persons conducting said meeting can hear each other.

Section 2 – Notice. Notice of any regular or special meeting of the Board of Directors shall be given by the Secretary or other officer. Forty-eight (48) hours written notice shall be given prior to such meeting. Any meeting shall be legal without notice if each director waives such notice by a writing filed with the records of the meeting either before or after the holding thereof. Any business whatever may be transacted at a meeting of the Board, although it may not have been specified in the notice of the meeting. No notice shall be necessary of an adjourned meeting of the Board of Directors.

Section 3 – Quorum. A majority of the number, or in case the number of directors as fixed by the members shall be an even number, half of the number, of directors constituting the full Board of Directors as fixed by the members for the time being shall (except as otherwise provided in Section 2 of Article II hereof) constitute a quorum for the transaction of business. The affirmative vote of a majority of any quorum shall be sufficient to transact any business specified in the notice of call of the meeting or, where each director waives notice as above provided, to transact any business specified in such waiver. With respect to all other business the vote of a majority of the Board shall be required and shall be sufficient to transact such business.

SANDS SCOTTSDALE MASTER HOME OWNERS ASSOCIATION

BY-LAWS

Section 4 – Meetings of the Executive Committee. Meetings of the Executive Committee, if there be one, may be called in such manner and at such places as said Executive Committee may from time to time determine. A majority of the number of members of the Executive Committee constituting the full Executive Committee, as fixed by the Board for the time being, shall constitute a quorum for the transaction of business and the affirmative vote of a majority of such quorum shall be necessary and sufficient for the transaction of any business, but less than a quorum may adjourn from time to time or dissolve a meeting which has been called.

Section 5 – Compensation. The Board of Directors shall determine the compensation, if any, to be paid to each director for services as a member of the Board of Directors or of the Executive Committee, or for any other services as director rendered at the request of the Board of Directors or Executive Committee. Such compensation may be paid on the basis of meetings of the Board or Executive Committee attended, or on such other basis as shall be deemed reasonable by the Board. Such compensation shall in all cases be reasonable and need not be paid in the same amounts to all directors. Each director shall be entitled to reimbursement for reasonable expenses incurred by him in attending meetings, or in rendering services as a director.

Section 6 – Action Without Meeting. Any action allowed by the Board of Directors at a meeting may be taken without a meeting if the action is taken by all of the directors. The action must be evidenced by one or more written consents describing the action taken, signed by each director and included in the minutes filed with the corporate records reflecting the action taken. Action taken is effective when the last director signs the consent. Any director may revoke a consent by delivering a signed revocation of the consent to the President or Secretary before the date the last directors signs the consent.

ARTICLE IV
OFFICE AND SEAL

Section 1 – Location. The corporation shall have such offices in addition to the principal office set forth in the Articles of Incorporation as the Board of Directors or members may from time to time designate.

Section 2 – Seal. The corporation seal shall be in such form as the Board of Directors may from time to time determine.

SANDS SCOTTSDALE MASTER HOME OWNERS ASSOCIATION

BY-LAWS

ARTICLE V

MEMBERSHIP CERTIFICATES

Section 1 – Certificates. There shall be no membership certificates issued to any unit owner as the unit registry as maintained in the offices of the company shall be the records relied upon by the directors, officers and members in the determining the ownership of any particular lot.

Section 2 – Mailing Address. It shall be the responsibility of the unit owner to advise the offices of the corporation as to the mailing address to be used in any communications directed to the unit owner.

Section 3 – Transfer of Membership. The officers may designate, from time to time, a form to be used in the administration of the corporate affairs in designating any transfer of ownership of a unit. These forms may be used through any of the title companies wherein purchase and sale escrow may be established or otherwise.

Section 4 – Registrar. The officers shall designate, from time to time, such person or persons having control and authority over the corporate records in designating the person or persons who will be keeping the records of the unit ownership.

Section 5 – Closing Transfer Books. The Board of Directors may, from time to time, provide that the transfer of the ownership of a unit may be closed for a period not exceeding twenty (20) days immediately preceding any meeting of the members.

ARTICLE VI

MISCELLANEOUS

Section 1 – Bonds. The Board of Directors may from time to time require from any one or more of the officers or agents of the corporation that he or they shall give bond for the faithful performance of duties in such form, in such sum, and with such sureties as said Board may determine; and the premiums for all such bonds shall be paid by the corporation.

Section 2 – Fiscal Year. The fiscal year of the corporation shall be determined by the Board of Directors; however, in no event shall the fiscal year of this corporation commence on a date more than 365 days following the issuance of the certificate of incorporation. The fiscal year of the corporation is January 1 through December 31.

BY-LAWS

Section 3 – Voting Stock in Other Corporations. Whenever the corporation shall own stock of another corporation, the president or treasurer, acting either in person or by proxy, may exercise in the name and on behalf of the corporation all rights of ownership thereof, but the Board may from time to time, either generally or in any specific instance, delegate like authority to any one or more other persons.

Section 4 – Execution of Writing. Unless the Board of Directors, Executive Committee, or stockholders shall otherwise generally or in any specific instance provide: (a) any bill, note, check, or other negotiable instrument shall be made, signed, accepted, or endorsed in the name and on behalf of the corporation by the president, or a vice president, or treasurer, or an assistant treasurer, and shall bear such countersignature of an officer of the corporation other than the officer so signing or endorsing as may be required by the Board of Directors; and (b) any other instrument whatsoever shall be signed in the name and on behalf of the corporation by the president, or a vice president, or treasurer, or any assistant treasurer, and any officer so signing any instrument may also seal, acknowledge and deliver the instrument.

Section 5 – Execution of Certificates. Any action by the members, Board of Directors, or Executive Committee at any meeting may be certified by the officer whose duty it is to keep the minutes of such meeting or by the officer or director keeping the records thereof or presiding thereat; and any such certificate shall be conclusive evidence for all purposes that the action so certified was taken.

Section 6 – Respecting Certain Contracts. The directors of this corporation may be connected with other companies with which from time to time this corporation may have business dealings. No contract or other transaction between this corporation and any other company and no act of this corporation shall be affected by the fact that the directors of this corporation are pecuniarily or otherwise interest in or are directors or officer of such other company. Any director individually, or any firm of which such director may be a member, may be a party to or may be pecuniarily or otherwise interested in any contract or transaction of this corporation, provided that the fact that he or such firm is so interested shall be disclosed or shall have been known to the Board of Directors or a majority thereof.

Section 7 – Amendment. These By-Laws may be altered, added to, amended or repealed at any meeting of the directors or at any meeting of the members by an affirmative vote of a majority of directors and/or unit owners entitled to vote thereat, provided that notice of the proposed alteration, amendment or repeal shall have been given in the notice of such meeting.