

Amendment 4

BY-LAWS OF EAGLE ROOST MANAGEMENT, INC.

ARTICLE ONE PURPOSES

- I. This corporation shall be conducted as a non-profit corporation for the purposes set forth in its Articles of Incorporation

- II. The purpose of these By-Laws and of this corporation is to manage and maintain the public areas of the described property and to enhance and further the enjoyment of the property owners in the use of the community areas and facilities and in the use of their own properties. Enforcement of the rights of the association against any member violating the property restrictions shall be considered a duty of the corporation in effectuating its purpose.

- III. This corporation shall have the power to levy and collect assessments against tracts of lots within the area described in the Declaration of Restrictions and such additional areas as may be added by amendment thereto. In the event of non-payment of the assessments, the said corporation shall have the power to file and foreclose liens against the properties as provided for in the Declaration of Covenants, Conventions and Restrictions, Amendment 3, dated April 6, 1993, and recorded in the office of the Maricopa County Recorder in docket 93-0204256 and any subsequent amendments approved and duly recorded.

In the event of non-payment of said assessments, the property subject thereto may be sold or forfeited in a foreclosure action in order to collect the said assessments as set forth in said Declaration of Covenants, Conventions and Restrictions, subject to such other provisions as may be included in these Bylaws. The Corporation shall have the power to levy and collect charges for special services performed by the corporation for its members, such as reasonable charges for the use of special facilities of the corporation.

- IV. The purposes for which this corporation was created may be altered, modified, enlarged or diminished by the vote of two-thirds of the eligible votes at a meeting duly called for the purpose or by mail-in ballot. Notice of such changes shall be given in written or printed form setting forth the proposed amendment or a summary of the changes to be effected thereby, and shall be given to each member entitled to vote within the time and in the manner provided by these By-Laws for the giving of notice of meetings, or not less than twenty (20) days in advance of the ballot-return deadline.

ARTICLE TWO MEMBERSHIP

- I. The membership of this corporation shall consist of and be limited to the owners of lots or tracts in the real estate in Section 26, Township 7 North, Range 9 West, and such other lands as described in the Declaration of Covenants, Conventions and Restrictions and such additional areas as may be added by amendment thereto. A member is a person; couple; group or entity

entitled to the beneficial use and rights of ownership of a parcel of land within said area, and may be either a purchaser or the fee owner, dependent only on the beneficial use of said land. No owner shall be entitled to more than one membership. Each membership shall be entitled to one vote for each five (5) gross acres of ownership, as described in the Declaration of Covenants, Conventions and Restrictions. Where property is held by a corporation, a partnership, or by tenants in common, such owner shall designate in writing a designee as holding the right of voting its membership. No members shall vote more than the number of votes so allocated (cumulative voting not permitted) and no member shall have an interest in this corporation different than the interest of any other member.

- II. Subject to the provisions of Article VII hereof, a certificate may be issued to each member. Upon the transfer of ownership of all or a portion of a lot or tract upon which membership is based, said membership shall automatically terminate with respect to the portion so transferred and the new owner of said lot or tract shall be issued a new certificate. In the event of the death of an owner, his or her certificate of membership shall be held and may be voted by his or her personal representative.
- III. The voting rights of a member shall be suspended for non-payment of assessments or dues that are delinquent for a period in excess of 60 days from the due date thereof.
- IV. The rights of all members and their families to utilize the community facilities under the ownership and management of this corporation shall be the same; provided that in the event of ownership of any lot or parcel by a corporation or association, or a large group of tenants in common, the use of the facilities of this corporation may be restricted by the Board of Directors to a reasonable use of such members commensurate with the interest of all members.

ARTICLE THREE SCOPE OF COMMUNITY OWNERSHIP

- I. It shall take a majority of votes of all members in order to empower the corporation to accept the ownership and management of any community real property or facilities, or transfer or convey such ownership of any real property belonging to the corporation; provided that such requirement shall not be applicable to easements or other such interests in said property granted in the ordinary management thereof. Such authorization may be determined either at a membership meeting or by written approval of a majority of all members.

ARTICLE FOUR MEMBERSHIP MEETING

- I. Annual meetings of the members of the corporation shall be held at such a place as the Board of Directors may determine in the State of Arizona. The annual meeting shall be held in April at a time and place determined by the Board. Notice of this or other meetings shall be given by the Secretary by mailing a notice to each member no less than twenty (20) days prior to the date of the meeting at the member's address as it appears in the records of the corporation.
- II. Special meetings of the members shall be called at any time by the President or a majority of the Board of Directors or by written request of ten percent (10%) of the membership. Notice of a special meeting, stating the objects thereof, shall be given by the Secretary or the parties calling

the meeting by mailing such notice to each member at his address as it appears in the records of the corporation not less than twenty days prior to the date on which such meeting is to be held.

- III. At all annual and special meetings of the members, fifty percent (50%) of the membership present in person or absentee ballot (ARS 33-1812) shall constitute a quorum for the transaction of business. If there is not a quorum present, the majority of those present in person may continue the meeting to another time and the meeting may then be reconvened without the requirement of additional notice, subject however to the same quorum requirement.

ARTICLE FIVE **DIRECTORS**

- I. The corporate powers of the corporation shall be vested in a Board of Directors. The number of Directors who shall manage the affairs of this corporation shall be not less than three (3) or more than nine (9). The number of directors may be increased or decreased by amendment of these By-Laws by two-thirds (2/3) vote of the members present or absentee ballot at a meeting duly called for the purpose. The Directors shall possess and exercise all powers of directors of a non-profit corporation under the laws of the State of Arizona and they shall have the authority to do all things necessary or convenient to further and carry out the purposes of this corporation.
- II. The number of Directors serving at any time shall be divisible by three (3). Commencing with the meeting of the membership for 1982, one third (1/3) of the Directors shall be elected for a period of three (3) years; one third (1/3) of the Directors for a period of two (2) years; and one third (1/3) shall be elected for a period of one (1) year. Thereafter, at each annual meeting of the membership, one third (1/3) of the Directors shall be elected for a period of three (3) years.
- III. Directors at the time of election shall be members in good standing of the corporation, except for the initial Directors set forth in the Articles of Incorporation. In the event a director ceases to be an owner of land entitling him to membership, such termination of membership shall terminate his office as a Director. Any vacancy shall be filled by the other Directors and such appointed Director shall serve until the next annual meeting of the membership.
- IV. Such meetings of the Board of Directors may be called at any time by the President or by any two Directors and the time and place thereof shall be determined by the authority making the call. Notice of the time, place and purpose of any special meeting shall be given by the Secretary to each Director in writing, e-mail, in person or by telephone. The purpose of the meeting may be stated in general terms.
- V. Attendance of a majority of the Directors shall be required to constitute a quorum. The President shall preside at all meetings of the Directors or in his absence the Vice-President shall preside. The Secretary of the corporation shall be Secretary of the Board of Directors and shall attend its meetings, but in the absence of the Secretary, a Secretary pro-tempore may be appointed. No Director may be represented or vote by proxy. The Directors may create such standing or temporary committees as they deem desirable, prescribe the duties and responsibilities thereof and the manner of appointment of the committee members.

ARTICLE SIX **OFFICERS**

- I. The officers of this corporation shall be a President, Vice-President, Secretary and Treasurer. At the first meeting of the Board of Directors after each annual meeting of the members, the Board of Directors shall elect said officers. The Board of Directors may also create and may fill offices of Executive Secretary and/or Assistant Treasurer. Officers elected shall hold office until the next meeting of the Board of Directors immediately following the annual meeting of members at which Directors are elected and until their successors have been duly elected and qualified. In case of vacancy in any office, such vacancy shall be filled by appointment by the Board of Directors, and officers so appointed shall serve the unexpired term of the office filled. Any officer may be suspended or removed by a majority vote of all of the Directors.
- II. The President shall be a member of the Board of Directors. He shall have the authority to sign contracts and other instruments on behalf of the corporation when authorized by the Board of Directors. He shall be ex-officio Chairman of the Board and preside at its meetings and shall also preside at all meetings of the members.
- III. The Vice-President shall be a member of the Board of Directors and shall have such powers and duties as shall be assigned to him by the Board of Directors. In case of the absence or inability of the President, the Vice-President shall have and exercise all authority of the President.
- IV. The Secretary shall attend all meetings of the Directors and shall prepare minutes of all such meetings. He shall keep a record of the names, addresses and telephone numbers of all members and, when required, shall give notices of meetings and conduct such correspondence as may be required.
- V. The Treasurer shall receive all assessments and other funds received by the corporation and deposit the same as directed by the Directors. He shall be responsible for collection of all assessments and other monies becoming due the corporation. He shall keep a record of the income and expenditures of the corporation and render a written report thereof annually to the members and at such other times as required by the Directors. The accounting duties of the Treasurer may be performed by an assistant to be designated by the Directors, with or without compensation, and in such case the Treasurer shall be responsible for the satisfactory performance of his assistant.
- VI. No Director or officer of the corporation shall receive any compensation for performance of the regular duties of his office. The Directors shall determine what compensated positions there shall be and select the person employed to fill the same, determine their salary or wage and other terms of employment. A Director, officer or any member may be employed to fill any such position and receive the regular compensation therefore.
- VII. Any officer, other than the President, may occupy two different offices concurrently if the Board of Directors so directs.

ARTICLE SEVEN **CERTIFICATE OF MEMBERSHIP AND TRANSFER**

- I. A Certificate of Membership in the corporation may be issued to each member if requested. All such certificates shall be signed by the President or Vice-President and the Secretary.

- II. All memberships and certificates evidencing same shall be inseparably appurtenant to the lot or tract owned by the holder thereof. Upon sale or contract of sale of said lot or tract, such membership shall terminate and the certificate shall be transferred to the grantee or purchaser upon his establishing to the satisfaction of the Secretary that such transfer is bona fide and the conveyance thereof has been duly executed.
- III. Unless specifically requested by the owner, it shall not be necessary that a written certificate be actually issued, but the owner may exercise all the rights and privileges and shall be subject to all of the liabilities of membership without the actual issuance and possession of such certificate of membership, provided that if his membership is questioned by any other member, the Secretary shall satisfy himself, as a condition to vote the membership, that the challenged member's ownership is bona fide and is evidenced by a duly executed conveyance or contract of sale.

ARTICLE EIGHT ASSESSMENTS

- I. The members of the corporation shall be liable for the payment of such charges or assessments as may from time to time be fixed and levied by the Board of Directors pursuant to these By-Laws, and as provided for under the Declaration of Covenants, Conventions and Restrictions referred to in Article One, Paragraph III hereof, and by the reference, incorporated herein.
- II. Assessments against all members shall be levied by the Board of Directors at a uniform rate on a pro rata basis in proportion to the total gross acreage owned by each member as provided in the Declaration of Covenants, Conventions and Restrictions referred to in Article One, paragraph III.
- III. Each member shall pay such assessment as may be levied with respect to the land or interest therein, to which membership is appurtenant, to the corporation at its office within said thirty (30) day period, such sum shall be a lien upon said land created or permitted by the owner of such land and enforceable by foreclosure proceedings in the manner provided by law for foreclosure of mortgage upon land. The corporation may proceed by appropriate action to foreclose its said lien against said property subject to said assessment and shall have the right to recover, in addition the amount of said assessment, interest thereon at the highest rate of interest legally permitted to be charged from the due date of said assessment and such sum as may be adjudged reasonable for attorney's fees together with its costs reasonably incurred in enforcing the assessment.
- IV. The Board of Directors shall prepare and approve an annual operations budget at the February meeting for the fiscal year beginning April 1. The budget shall include maintenance of runway, roads, operation of equipment and its maintenance, maintenance reserve, mailings, insurance, taxes and other items necessary for normal expenses. Any proposed additional expenditures beyond the current budget in an amount exceeding ten percent (10%) of the budget must be submitted to the membership for approval. A two-thirds (2/3) majority of the eligible votes must approve the additional expenditure.

ARTICLE NINE AMENDMENTS

- I. These By-Laws may be amended at any time by two-thirds (2/3) of votes returned by the members of record. Such vote shall be conducted by mail. No less than sixty (60) days shall pass from time ballots are mailed to the time they are to be tabulated. Provided, however, that any changes of the purpose of the corporation shall require a two-thirds (2/3) majority as provided for in Article One, paragraph IV.

ARTICLE TEN REACTIVATION OF CORPORATION

- I. The corporation shall be deemed to be inactive if no meeting of either the members or the Board of Directors is held for a period of two successive years, or if a majority of the Directors resign or fail to function by failing to respond to a call for meetings provided for by these By-Laws for a period of sixty (60) days.
- II. In such event any five members or any Director or officer may call a meeting by giving written or printed notice stating the place, day and hour of the meeting and stating the purpose or purposes for which the meeting is called, which notice shall be delivered not less than twenty (20) days before the date of the meeting, whether personally or by mail, to all members entitled to vote at such meetings whose names and addresses are ascertainable with reasonable diligence. If there is a quorum at such reactivation meeting the members present may elect a Board of Directors and empower such Board to do any business authorized by the Articles of Incorporation and these By-Laws, and impose such limits thereon as may be appropriate and reasonable. If there is not a quorum at said meeting, the members present may designate a new time and place and method of notice for reconvening the meeting, which shall be at least twenty (20) days later.
- III. No Board of Directors following a reactivation shall have the right to dispose of any substantial amount of assets of this corporation for a period of sixty (60) days following its election without the express approval of a majority of all members of the association.

ARTICLE ELEVEN GENERAL

- I. These By-Laws are intended to supplement and be consistent with the Declaration of Covenants, Conventions and Restrictions referred to in Article One, paragraph III hereof. In the event of any inconsistency between any By-Laws of the corporation and said property restrictions the terms of said property restrictions shall control.
- II. Any rights granted to the association by said property restrictions shall not be altered or changed and any authority in said restrictions shall be construed as within the power of the Board of Directors of this corporation and/or its membership.
- III. Matters of specific nature which may be reproduced in ballot form may be voted on by a ballot of the membership by mail, delivered to the membership by the Secretary not later than twenty (20) days prior to the date of the meeting of the membership called for the purpose of voting on such matter(s).

When a package of information on the vote is mailed out it shall include the following response provisions:

- An Eagle Roost return envelope with the owners name printed on the back of the envelope with a line for the owner's signature.
- A separate smaller envelope with no identification on it in which the ballot is to be placed for inclusion in the return mailing. The lack of identification provides a secret ballot result.

All returned ballots are to be collected by one person who will check the name of the return on a list of owners to validate that only one return has been received from each owner. The person shall control access until the time ballots are to be counted. Opening of the returns to remove the ballot envelopes shall be done preferably during a meeting where all interested parties can observe the ballot envelope handling until they are turned over to a group of impartial counters (3-5 persons). This group will utilize a separate location where they will open the ballot envelopes and have each individual separately count and record all votes, comparing results on completion to ensure count accuracy. Note: Formal balloting does not allow inclusion of email ballots!!

- IV. Without limiting the authorities or powers otherwise held, Eagle Roost Management, Inc. may, on determination of its Board of Directors, undertake to represent a property owner or owners, being members thereof, in the advancement or propagation of any claim or position of such property owner or owners, concerning any property within Section 26 owned by them, that the Board of Directors feels is in the general interest and benefit of the membership of Eagle Roost Management, Inc. as a whole. Eagle Roost Management, Inc. is authorized to employ agents, accountants, attorneys and employ such professional help as may be appropriate and necessary to accomplish the purpose of this amendment and have such further power and rights as may be reasonably necessary to pursue the authority granted herein. Expenditures for this purpose shall not exceed funds budgeted from regular assessments unless the same shall be authorized at a regular or special meeting of the members.