

March 7, 1973

1/5/07

Dear Sir,

The Board of Directors, at the regular meeting on March 6, 1973, amended the By-Laws as follows:-

1. Article I, Paragraph 5: deleted the last sentence: "The determination of the Board of Directors shall be final."
2. Article I, Paragraph 14: Added the entire Paragraph.

The Board of Directors feel these changes necessary to protect the rights of members and prospective members of the Corporation. The old By-Laws made no provision for appeal of decisions effecting membership of property owners in the Corporation.

3. Article I, Paragraph 12: Added the words "by Proxy".

This was done to correct an obvious typographical error.


4. Article II, Paragraph 5: Added the complete paragraph.

There were no provisions in the By-Laws whereby property owners could recall the Board of Directors under any circumstances. The Board of Directors feel that it should be the right of members of the Corporation to have the power to recall a Board of Directors for cause.

5. Article V: Added the word "only" and deleted the entire last sentence; "The Board of Directors shall also have the power to adopt and amend the By-Laws for government of this corporation."

This Article, as it originally was, gave virtually unlimited power to a Board of Directors. By-Laws could be changed by a quorum of the Board at any time, for any lawful purpose without approval for the membership. The Board of Directors feel this change necessary to insure protection of the rights of members of the Corporation.

Yours faithfully,


John W. Scott
President of the Board
of Directors

Encl: By-Laws

BY-LAWS

OF

QUEEN CREEK SUBURBAN RANCHES, INC.

ARTICLE I.

MEMBERS AND MEMBERSHIPS.

1. (a) Membership shall be limited to persons acceptable to and approved by the Board of Directors or such membership committee that may be appointed by the Board and those who own or are purchasing under contract lots or parcels of real property designated from time to time by the Board of Directors. One membership shall be issued for each lot or parcel thus designated by the Board. In the event a single lot is owned by two or more persons a single membership shall be issued in the name of all and they shall designate to the corporation in writing who shall have the power to vote the said membership.

(b) There shall be one class of membership.

2. Membership may be terminated:

(a) By the Board of Directors for failure to pay at the time specified therefore, charges, maintenance fees or any other sum of money due from a member to the corporation.

(b) For cause after notice and hearing by the Board of Directors.

(c) By voluntary resignation tendered in writing and delivered to the Secretary of the Corporation, subject to such terms as Directors may determine.

(d) Except as otherwise provided herein, by the sale of the property which is the basis of membership.

3. The Board of Directors may prescribe the form of notice to be given any member against whom charges of any kind may be brought; may specify who may bring charges; establish rules governing hearings upon charges; and specify the penalty to be imposed which may include suspension from privileges of the corporation or expulsion from the corporation, unless provision is otherwise made in these By-Laws.

4. Upon the termination for any reason of membership in this corporation all privileges therein and all rights to use any property belonging to the corporation shall cease. Termination of membership, however, shall not release any right or claim the corporation may have against the property of the person whose membership is terminated for dues, maintenance, fees, charges, or any other amount. The payment of any such dues, charges, or amounts shall not give the owner of the property with prospective which they are paid, any rights in or to the corporate property except the right of ingress and egress to and from the property owned by such person, to and from the nearest public highway.

5. If any member shall be charged in writing addressed to the Board of Directors by anyone entitled to bring charges, with conduct deemed by said Directors to be injurious or detrimental to the order, peace, interest or welfare of the Corporation or unbecoming to a member of the corporation, or with violation of these By-Laws or any rules and regulations made by the Board of Directors, the Said Board shall give at least five days notice in writing of a hearing to be held upon such charges to the member so charged either by serving the same personally upon said member or by mailing the same addressed to said member by ordinary mail, postage prepaid, to the address of the member as shown on the books of the corporation. After such hearing the Board, on being satisfied with the truth of the charge or charges, may censure the member charged or suspend or terminate his or her membership in the Corporation.

6. All applicants for membership in the Corporation shall file an application in writing, upon such forms which shall furnish such information as the Board may prescribe. All information furnished by the applicant shall be deemed to be a material part of the consideration of the applicants' qualifications for membership, and any false, evasive or partially untrue statement may, in the discretion of the Board, be sufficient ground for the suspension or termination of membership.

7. Memberships shall not be transferable except as provided in this paragraph:

(a) A membership shall not be transferred, pledged, or in any way alienated except upon sale of the lot or parcel upon which the membership is

based and then only to the purchaser of such lot or parcel. The Board shall be given notice in writing of any intended sale, transfer, or conveyance of said lot or parcel, together with a membership application on a form prescribed by the Board and completed by the proposed transferee.

8. In the event the owner of any lot or parcel so designated shall fail or refuse to transfer the membership certificate registered in his name to the purchaser of such lot or parcel upon sale thereof, the corporation shall have the right to record the transfer upon the books of the corporation and issue a new certificate to the purchaser, and thereupon the old certificate outstanding in the name of the seller shall be null and void as though the same had been surrendered.

9. Special meetings of the corporate membership may be called at any time by the President, Vice President or Board of Directors, and printed or written notice of each annual and special meeting shall be given to each member appearing on the books of the corporation, by mail at least ten days before such meeting, and such notice shall specify the purpose for which any special meeting is being called.

10. The majority of the owners of issued and outstanding certificates of membership entitled to vote must be present to constitute a quorum. Only those shall be entitled to vote who appear as members upon the books of the corporation subject to the provisions of Paragraphs 1 and 13 of this article.

11. All meetings of the members of this corporation shall be presided over by the President. Such meetings shall be attended by the Secretary-Treasurer of the corporation who shall ex-officio be the Secretary of such meeting. The proceedings of each meeting shall be verified by the signature of the President.

12. At all meetings of the members of the corporation all questions shall be determined by a majority vote of the memberships represented at the meeting, each member being entitled to one vote for each certificate of membership in his name as appears upon the records of the corporation. In all elections for directors of the corporation each member shall have the right to cast as many votes in the aggregate as he owns certificates of membership appearing upon the books of the corporation multiplied by the number of directors to be elected at such election. Each member entitled to vote may cast the whole number of votes either in person or by proxy for one candidate or distribute such votes among two or more such candi-

dates and such directors shall not be elected otherwise.

13. A member shall be denied the privilege to vote on any questions and may be denied his privileges of the corporation if he shall be delinquent in any dues of assessments for a period of more than thirty days.

14. Application for membership denied by the Board of Directors, or a membership committee and membership suspended or terminated for cause, may be appealed by requesting the president of the Board of Directors call a special meeting of qualified voters of the corporation to hear the appeal. The request for appeal must be made within 30 days from the date the disapproved membership application or notification of membership suspension or termination is deposited in the United States mail. The special meeting must be called within 30 days of receipt of the request for appeal. The determination of the membership quorum shall be final.

ARTICLE II

THE BOARD OF DIRECTORS

1. The management of the business and affairs of the corporation shall be vested in a Board of Directors comprised of not less than two nor more than seven members. The Board of Directors named by the incorporators shall function until their successors are elected and have qualified. The annual meeting of the membership of the corporation shall be held on the fourth Monday in September of each year. The Board of Directors shall be chosen by a majority of a quorum of the members present at the annual meeting of the corporation. Directors must be members of the corporation.

2. The Board of Directors shall meet at the principal office of the corporation immediately following the annual membership meeting, and at other times and places as they may determine and the majority of the Board shall constitute a quorum.

3. A special meeting of the Board of Directors may be called at any time by the President, Vice President, Secretary Treasurer, or by a majority of the Board. Notice of such a special meeting shall be given at least three days prior to said

certificates of membership transferred. The Secretary-Treasurer shall also be the transfer agent of the corporation for the transfer of all certificates of membership. He shall also keep the seal of the corporation and affix the seal to all certificates of membership, conveyances of membership, contracts, mortgages and other such instruments requiring the seal as may be directed by the Board of Directors.

6. The Secretary-Treasurer shall also keep a full and accurate account of receipts and disbursements of the corporation in books belonging to the corporation, and shall deposit all monies and valuable objects in the name of the company in such depositories or safety vaults as may be designated by the Board. A report of the finances of the corporation shall be made by the Secretary-Treasurer whenever requested by the President and a report of like character shall be submitted by him at each annual meeting. He shall be required by the Directors at any time to give such bond as the Directors may designate.

7. The officers of the corporation may be removed from office for cause by a majority vote of the Board of Directors.

ARTICLE IV DUES AND FEES

1. The Board of Directors from time to time shall file and establish dues and assessments, all of which shall be paid promptly by the members; provided, however, that the aggregate of such dues and assessments during any calendar year shall not exceed the sum of \$120.00 unless the excess be approved or imposed by vote of a majority of the members present at any annual or special meeting, notice of which contains reference to such proposed excess.

2. Failure to pay such dues and/or assessments within thirty days after the same become due, as determined by the Board, shall be cause for suspension or termination of membership in the discretion of the Board.

ARTICLE V MISCELLANEOUS

Any member of the corporation shall have the

meeting by mailing notices thereof to each director. Special meetings may be had without notice if such notice is waived by all of the directors.

4. In case of a vacancy in the Board of Directors by death, resignation or otherwise, the remaining members of the Board shall elect a member to fill the vacancy, such new member to serve for the unexpired term of his predecessor and until his successor is elected and qualified.

5. A special meeting of the membership will be called by the President of the Board of Directors within 30 days of receipt of a petition requesting recall of the Board of Directors signed by 2/3 of the qualified voters of the corporation.

ARTICLE III

OFFICERS

1. The officers of the corporation shall consist of a President, Vice President, Secretary-Treasurer, and such other officers as designated by the Board of Directors. The officers of the corporation need not be members of the Board of Directors and shall be elected by a majority vote of the Board of Directors. The election of officers shall be held annually at the first meeting of the Board of Directors after the annual membership meeting. The persons named in the Article of Incorporation as the first officers shall hold office until their successor have been elected and qualified at the first regular election.

2. In case of a vacancy in any office, the Board of Directors shall elect a successor to hold the office for the unexpired term.

3. The President shall preside at all meetings of the corporation and all meetings of the Board of Directors. The President shall have the power to appoint such committees as may be necessary and shall be an ex-officio member of the committees.

4. The Vice President shall perform all of the duties of the President during his absence and at such times as the President is unable to act.

5. The Secretary-Treasurer shall attend all meetings of the members and directors and keep a full and accurate account of their proceedings in a book to be kept for that purpose. He shall record all transfers of membership and cancel and preserve all

right to inspect the books and records of the corporation at reasonable hours and times.

APPROVED:


John W. Scott
President of the Board of Directors

AMENDMENT TO BY-LAWS

OF

QUEEN CREEK SUBURBAN RANCHES, INC.

The membership and operation of this corporation shall be in accordance with Section 501 (c) (12) of the Internal Revenue Code and amendments thereto. Where any provisions of the By-Laws as heretofore existing are inconsistent with said provision of the Internal Revenue Code, they are hereby amended in all respects to conform to the provisions of Section 501 (c) (12) as they relate to membership dues or any other area applicable to the operation of a nonprofit organization. This Amendment shall adopt by reference into the By-Laws of Queen Creek Suburban Ranches, Inc. Section 501 (c) (12) of the internal Revenue Code in toto and this Amendment shall be adopted to the By-Laws of Queen Creek Suburban Ranches, Inc. as Article VII.