

AMENDED & RESTATED BYLAWS
OF
BELLASERA COMMUNITY ASSOCIATION
EFFECTIVE AS OF 29th DAY OF NOVEMBER, 2007

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AMENDED AND RESTATED BYLAWS
OF
BELLASERA COMMUNITY ASSOCIATION, INC.

(Effective *,, 2007)

Article I

Name, Principal Office, and Definitions

1.1. Name. The name of the Association shall be Bellasera Community Association, Inc. (“Association”).

1.2. Principal Office. The principal office of the Association shall be located in Maricopa County, Arizona. The Association may have such other offices as the Board may determine or as the affairs of the Association may require.

1.3. Definitions. The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Covenants, Conditions, and Restrictions (CC&Rs) for Bellasera filed in the Office of the County Recorder of Maricopa County, Arizona, as the same may be amended from time to time (“CC&Rs”), unless the context indicates otherwise.

Article II

Association: Membership, Meetings, Quorum, Voting, Absentee Ballots

2.1. Membership. Every Homeowner shall be a Member of the Association, as set forth in the CC&Rs. The provisions pertaining to membership in the CC&Rs are incorporated herein by this reference.

2.2. Place of Meetings. Meetings of the Association shall be held within Bellasera or at such other suitable place within Maricopa County, Arizona as may be designated by the Board.

2.3. Annual Meetings. Regular annual meetings shall be held each year on a date and at a time set by the Board. In the event that a quorum, as defined in Section 2.11 of these Bylaws, is not present at an annual meeting, the Association may hold the meeting for informational purposes; provided, however, the Association may not take any action at such meeting unless a quorum is present.

2.4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board or upon a petition signed by Homeowners holding at least 10% of the voting power of the Association; provided, in the case of a special meeting held for the purpose of removing a director as provided in Section 3.5, a meeting shall be called upon a petition signed by Homeowners holding at least 25% of the votes in the Association, or 100 votes in the Association, whichever is less.

2.5. Notice of Meetings. The Secretary of the Association shall cause written notice stating the place, day, and hour of any meeting of the Association to be delivered by hand delivery or United States mail, postage prepaid, to each Homeowner, or, if permitted by Arizona law, by facsimile, computer, fiber optics, cable, or other similar communication devices or such other manner which is reasonably calculated, as determined in the discretion of the Board, to provide personal notice to the Homeowners entitled to notice. Such notice shall be delivered not less than 10 nor more than 50 days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or Persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No other business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Homeowner at his or her address as it appears on the records of the Association, with postage prepaid. If sent by facsimile, computer, fiber optics, cable, or such other similar communication device, notice shall be deemed to be delivered when transmitted to the Homeowner at his or her address or number as it appears on record with the Association. The failure of any Homeowner to receive actual notice of a meeting of the Homeowners shall not affect the validity of any action taken at such meeting.

2.6. Waiver of Notice. Waiver of notice of a meeting of the Homeowners shall be deemed the equivalent of proper notice. Any Homeowner may, in writing, waive notice of any meeting of the Association, either before or after such meeting. Attendance at a meeting by a Homeowner shall be deemed waiver by such Homeowner of notice of the time, date, and place thereof, unless such Homeowner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Homeowners who are present at such meeting may, without further notice, adjourn the meeting to a date not less than five nor more than 30 days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Homeowners in the manner prescribed for regular meetings.

2.8. Voting. Homeowners shall have such voting rights as set forth in the CC&Rs. Such voting rights provisions are incorporated herein by this reference. Homeowners may vote at a meeting by voice vote or ballot or may vote by mail without the necessity of a meeting, as determined by the Board; provided, however, meetings shall be held when required by the CC&Rs, these Bylaws, or Arizona law. Votes for the election of directors shall be cast by secret written ballot. Elections for directors may be conducted by mail. All votes of the Homeowners at meetings shall be subject to the quorum requirements of Section 2.11 of these Bylaws.

2.9 Absentee Ballots. The Association shall provide for votes to be cast by Homeowners in person and by absentee ballots and may provide for voting by some other kind of delivery. Proxy voting is not permitted. Votes cast by absentee ballot or other form of delivery are valid for the purpose of establishing a quorum.

Any action taken at an annual meeting, regular or special meeting of the Homeowners shall comply with all of the following if absentee ballots are used:

- a. The absentee ballot shall set forth each proposed action.
- b. The absentee ballot shall provide an opportunity to vote for or against each proposed action.
- c. The absentee ballot is valid for only one specified election or meeting of the Homeowners and expires automatically after the completion of the election or meeting.
- d. The absentee ballot specifies the time and place by which the ballot must be delivered to the Board of Directors in order to be counted, which shall be at least seven days after the date that the Board of Directors delivers the unvoted absentee ballot to the Homeowner.
- e. The absentee ballot does not authorize another person to cast votes on behalf of the Homeowner.

2.10. Majority. As used in these Bylaws, the term “majority” shall mean those votes, Homeowners, or other group, as the context may indicate, totaling more than 50% of the total eligible number.

2.11. Quorum. Except as otherwise provided in these Bylaws or in the CC&Rs, the presence, in person or by absentee ballot, of 30% of the Homeowners shall constitute a quorum at all meetings of the Association. Homeowners present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Homeowners to leave less than a quorum; provided, unless otherwise specifically set forth in the Governing Documents, any action for which a vote of the Homeowners at a meeting is required must be approved by at least a majority of the votes required to constitute a quorum.

2.12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall ensure that minutes of the meeting are kept and that all resolutions adopted at the meeting, as well as all transactions occurring at the meeting, are recorded in a minute book.

2.13. Video or Telephonic Participation. One or more Homeowners may participate in and vote during any regular or special meeting of the Homeowners by telephone conference call, video conference, fiber optics, cable, or similar communication equipment by means of which all Persons participating in the meeting can hear each other at the same time, and those Homeowners so participating shall be deemed present at such meeting for all purposes, including calculation of a quorum.

2.14. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Homeowners may be taken without a meeting, without prior notice, and without a vote, if written consent specifically authorizing the proposed action is signed by all Homeowners entitled to vote thereon at such meeting. All such consents shall be signed and dated within 60 days after receipt of the earliest dated consent, and delivered to the Association at its principal place of business in the State of Arizona. Such consents shall be filed with the minutes of the Association.

2.15. Record Date. For purposes of determining Members entitled to notice of or to vote at a meeting of the Homeowners, the Board may fix in advance a date as the record date, not to exceed ten (10) days before such meeting, the date that members must be current in the payment of their assessments to be eligible to vote.

Article III Board of Directors

A. Composition and Selection.

3.1. Governing Body; Composition. The affairs of the Association shall be managed by a Board of Directors which shall serve as the corporate policy-making body for the Association. Each director shall have one equal vote. The directors shall be Homeowners; in good standing (not delinquent in the payment of their assessments). However, no more than one representative from a particular Lot may serve on the Board at the same time. All directors shall complete, as soon as practicable, such training requirements as established by the Board.

In the case of a Homeowner which is not a natural person, any officer, director, partner, or trustee of such Homeowner shall be presumed to be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Homeowner. No Homeowner may have more than one such representative on the Board at a time.

3.2. Number of Directors. The number of directors in the Association shall be not less than three nor more than seven.

3.3 Nomination of Directors. Nominations for election to the Board shall be made in accordance with policies and procedures established, from time to time, by the Board. Such policies and procedures may include, but are not limited to, requiring a specified number of signatures as a precondition to appearing on the ballot or permitting nominations through a Nominating Committee.

The Board shall establish policies and procedures for nominations no later than 90 days prior to any election. Except with respect to “write-in candidates” or nominations made from the floor at any meeting (if permitted by the policies and procedures), nominations shall be made no later than 45 days before the election shall be held.

The Board shall provide for as many nominations on each slate for election to the Board as it, in its discretion, shall determine, but in no event less than the number of positions to be filled from each slate as provided in Section 3.4. The policies and procedures established by the Board shall provide for the nomination of director(s) to be elected.

For any election, the Board may, but shall not be obligated to, appoint a Nominating Committee. If appointed, the Nominating Committee shall consist of three or more persons and a Chairperson, who shall be a member of the Board. The remaining members of the Nominating Committee shall be Homeowners, or any officer, director, partner, or trustee of a Homeowner which is not a natural person.

3.4 Election and Term of Office. Except as provided in this Section 3.4, annual elections for directors shall be held prior to the end of April. Directors elected at such annual elections shall take office immediately and complete the training requirements as soon as practicable pursuant to Section 3.1. Except as otherwise specifically provided in these Bylaws, each director shall serve two-year terms. The terms will be staggered as determined by the Board of Directors; provided, directors shall hold office until their respective successors are elected (or appointed as the case may be) and take office. Directors may be elected by the Homeowners to serve up to three consecutive terms. Notwithstanding the above or any other provision of these Bylaws, each Homeowner shall be entitled to cast one vote with respect to each vacancy to be filled. There shall be no cumulative voting. The candidate(s) receiving the most votes for each vacancy to be filled shall be elected.

3.5 Removal of Directors and Vacancies.

Homeowners may initiate the removal of a director by delivering a petition to the Board signed by Homeowners entitled to cast 25% of the votes in the Association, or 100 votes in the Association, whichever is less. Upon receipt of a valid petition, the Board shall call a special meeting of the Association within 30 days from the date that the petition is received. Notice of the meeting shall be delivered to each Homeowner not less than 10 days before the date of the meeting and in accordance with the provisions of Section 2.5 of these Bylaws. A petition that calls for the removal of the same director shall not be submitted more than once during each term of office for that director.

Any director may be removed, with or without cause, by a majority vote of Homeowners entitled to vote and voting on this matter at a meeting of the Homeowners called pursuant to this section at which a quorum, consisting of the number of Homeowners to whom at least 20% of the votes are allocated, are present in person or by absentee ballot. Any director whose removal is sought shall be given notice prior to any meeting called and noticed in accordance with these Bylaws for that purpose or prior to any vote conducted by mail for such purpose.

Any director who has three consecutive absences from Board meetings, who is more than 60 days delinquent in the payment of any assessment or other charge due the Association, who fails or refuses to complete the training requirements referenced in Section 3.1 of these Bylaws, or who is shown to be in violation of any written policy or resolution adopted by the Board, may be removed by the vote of a majority of all directors at a regular or special meeting of the Board at which a quorum is present. In the event of such removal by the Board, a successor may be appointed by the Board to fill the vacancy for the remainder of the term.

In the event of the death, resignation, removal or otherwise of a director elected by the Homeowners, the Board may declare a vacancy and appoint a successor to fill the vacancy for the remainder of such director's term and until the successor director elected by Homeowners takes office. .

B. Meetings.

3.6 Organizational Meetings. Each Board shall hold an organizational meeting within 30 days after newly-elected directors take office and may have an organization meeting after newly-appointed directors take office.

3.7 Regular Meetings. Regular meetings of the Board may be held at such time and place as the Board shall determine, but at least one such meeting shall be held each quarter. Notice of the time and place of the meeting shall be posted in a prominent place within Bellasera and communicated to directors not less than four days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

3.8 Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President or by any two directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) facsimile, e-mail fiber optics, or any such other communication device. All such notices shall be given at the director's telephone or facsimile number, or e-mail address or sent to the director's address as shown on the records of the Association. Notices of special meetings of the Board also shall be posted in a prominent place within Bellasera at least three days prior to such meeting. Notices sent by first class mail shall be deposited into a United States mailbox at least seven business days before the time set for the meeting. Notices given by personal delivery, telephone, facsimile, or other device shall be delivered, telephoned, or transmitted at least 72 hours before the time set for the meeting.

3.9 Waiver of Notice. The transaction of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held and noticed if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.10 Quorum of Board of Directors. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these Bylaws or the CC&Rs. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.11 Compensation. No director shall receive any compensation from the Association for acting as such; provided however, any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board, excluding the interested director.

3.12 Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall ensure that a minute book is kept of all meetings of the Board, recording all resolutions adopted by the Board and all transactions and proceedings occurring at such meetings.

3.13 Open Meetings. Subject to the provisions of Sections 3.14 and 3.15, all meetings of the Board shall be open to all Homeowners, or any person designated in writing by a Homeowner as the Homeowner's representative. Further, the Homeowner or the representative of the Homeowner shall be permitted to speak at an appropriate time. The Board may place reasonable time restrictions on those persons speaking during the meeting but shall permit a Homeowner or representative to speak before the Board takes formal action on an item under formal discussion in addition to providing any other opportunities to speak. Finally the Board shall provide for a reasonable number of persons to speak on each side of the issue. In such case, the President may limit the time any Homeowner may speak.

Notwithstanding the above, the President may adjourn any meeting of the Board and reconvene in executive session, excluding Homeowners, to consider any one or more of the following:

- (a) personal health or financial information about a member of the Association, an individual employee of the Association or an individual employee of a contractor for the Association, including records of the Association relating to the personal, health or financial information about these individuals;
- (b) legal advice from an attorney;
- (c) pending or contemplated litigation; or
- (d) matters relating to the job performance, compensation, health records of or specific complaints against an individual employee of the association or an individual employee of a contractor of the association who works under the direction of the association.

3.14 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote. Written consent or consents shall be filed with the minutes of the proceedings of the Board. Within three days after all written consents to an action have been obtained, the Board shall post in a

prominent place within Bellasera a notice of the action to be taken or actually taken by the Board; provided, the obligation to post notice shall not apply to any action pertaining to any subject matter which could be discussed in an executive session of the Board as set forth in Section 3.13. Failure to give notice shall render the action to be taken or actually taken invalid.

3.15 Video and Telephonic Participation. One or more directors may participate in and vote during any regular or special meeting of the Board by telephone conference call video conference, fiber optics, or similar communication equipment by means of which all Persons participating in the meeting can hear each other at the same time, and those directors so participating shall be deemed present at such meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board.

C. Powers and Duties.

3.16 Statement of Operational Policy. The primary duty of the Board of Directors shall be to establish the operational policies of the Association and to exercise its powers and duties in a manner which ensures that such policies are carried forth. The Board is not responsible for nor authorized to perform the day-to-day operations of the Association. The day-to-day operations of the Association shall be carried out by the management agent or agents retained by the Association or, if no management agent is so retained, by such Persons designated or employed by the Board to perform management functions, under the supervision of the officers of the Association.

Subject to the Board's responsibilities concerning operational policies, it shall be the policy of the Association, in the interest of the efficient operation of the Association, that the Board refrain from unreasonably interfering with the performance of delegated functions by the management agent or other entities to whom authority and responsibility have been delegated. In the performance of its duties and responsibilities, the Board shall act as a unified body and no individual member of the Board shall be authorized to speak or act on behalf of the Board unless specifically authorized to do so in writing by the Board.

3.17 Powers. The Board shall have such powers as are necessary and appropriate for the management of the Association's affairs and for ensuring that the duties and responsibilities of the Association as set forth in the CC&Rs, these Bylaws, the Articles, and as provided by law, are fulfilled. The Board may do or cause to be done all acts and things as are required by the CC&Rs, Articles, these Bylaws, or Arizona law to be done by the membership generally. The Board may delegate powers to committees, officers, a management agent or agents, or employees of the Association and, if so delegated, such powers may be exercised without unreasonable interference by the Board.

3.18 Duties. The duties of the Board shall include, without limitation:

- (a) adopting annual budgets which establish each Homeowner's share of the Common Expenses, if any;
- (b) levying assessments against the Homeowners to fund the Common Expenses, if any, and establishing policies governing collection of assessments;
- (c) establishing policies for the operation, care, upkeep, and maintenance of the

Area of Common Responsibility and, ultimately, ensuring that such policies are carried forth;

(d) retaining the services of a managing agent or agents or, in the alternative, designating, hiring, and dismissing such other personnel as are necessary to perform the powers, responsibilities, and day-to-day operations of the Association;

(e) approving a bank depository to receive funds on behalf of the Association and directing that all such funds be so deposited and applied towards the operation of the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) adopting rules and regulations, including the Use Restrictions, and amendments thereto and approving sanctions for infractions thereof;

(g) signatories required; opening of bank accounts on behalf of the Association and designating the signatories required;

(h) establishing policies and guidelines by which the Association shall make or contract for the making of repairs, additions, and improvements to or alterations of the Area of Common Responsibility in accordance with the CC&Rs and these Bylaws;

(i) enforcing by legal means the provisions of the CC&Rs, these Bylaws, and the rules adopted by the Board and bringing any proceedings which may be instituted on behalf of or against the Homeowners concerning the Association; provided, the Board shall not be obligated to take any action to enforce any covenant, restriction, or rule which the Board reasonably determines is, or is likely to be, inconsistent with applicable law, or if the Board reasonably determines that the Association's position is not strong enough to take such enforcement action, or if the Board otherwise determines, in its business judgment, that such enforcement action would be inappropriate;

(j) ensuring that property, liability, and commercial crime insurance, as required in the CC&Rs, are carried by the Association, that the cost thereof is paid, and that claims are filed and adjusted, as appropriate;

(k) providing for the payment of all taxes and/or assessments which are or could become a lien on the Common Area or a portion thereof;

(l) providing for the payment of the cost of all services rendered to the Association or its Homeowners and not chargeable directly to specific Homeowners;

(m) providing that books with detailed accounts of the receipts and expenditures are kept on behalf of the Association and are made available to any prospective purchaser of a Lot, any Homeowner, and the holders, insurers, and guarantors of any Mortgage on any Lot

(n) making available to any prospective purchaser of a Lot, any Homeowner, and the holders, insurers, and guarantors of any Mortgage on any Lot, current copies of the CC&Rs, the Articles, the Bylaws, rules and all other books, records, and financial statements of the Association ;

(o) establishing policies and guidelines under which utility suppliers are permitted to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;

(p) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is permitted or required by Arizona law, the CC&Rs, the Articles, and these Bylaws; and

(q) providing for assistance in the resolution of disputes between Homeowners and others without litigation, as set forth in the CC&Rs.

3.19 Conflicts of Interest. If any contract, decision or other action for compensation taken by or on behalf of the Board would benefit any member of the Board; any person who is a parent, grandparent, spouse, child or sibling of a member of the Board; a parent or spouse of any of those persons; or a present or former business associate(s) of the member of the Board, that member of the Board shall:

- (a) declare a conflict of interest for that issue;
- (b) declare the conflict in an open Board meeting; and
- (c) declare the conflict before the Board discusses or takes action on that issue.

3.20 Management. The Association may, but shall not be required to, employ a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board shall delegate to the management agent such powers as are necessary to perform its assigned duties; provided, the Board may not delegate policymaking authority. Subject to the Board's responsibility to ensure compliance with policies established by the Board, upon delegation of powers to a managing agent, the Board shall not interfere with the day-to-day management of Association affairs by the management agent.

3.21. Accounts and Reports. The following management standards of performance shall be followed unless the Board, by resolution, specifically determines otherwise:

- (a) accrual accounting, as defined by generally accepted accounting principles, shall be employed.
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) cash accounts of the Association shall not be commingled with any other accounts;
- (d) no remuneration shall be accepted by the management agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;
- (e) any financial or other interest which the management agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board; and

(f) the following financial and related information shall be regularly prepared and made reasonably available for examination by all Homeowners:

(i) a capital expenditures budget and a Common Expense budget for the Association for each fiscal year of the Association. The Budget shall be made available for examination in the manner provided in Section 6.4 of these Bylaws.

(ii) an annual report ("Financial Statement") in accordance with generally accepted accounting principles. Effective January 1, 2005 within 6 months after the close of the Association's fiscal year, a summary of the Financial Statement or a written notice that a copy of the Financial Statement will be completed. Once completed, the Financial Audit, Review or Compilation must be made available to the Homeowners upon request within 30 days of its completion. There is an exception. If any provision of the governing documents requires an annual audit by a certified public accountant, the above requirements need not be met. If requested, one copy of the Financial Statement may be distributed personally, by mail, or such other manner as is reasonably designed to provide delivery to a Homeowner, without charge. The Financial Statement shall consist of:

(A) a balance sheet as of the end of the fiscal year;

(B) an income statement for the fiscal year; and

(C) a statement of changes in financial position for the fiscal year. The Financial Statement shall be prepared on an audited, reviewed, or compiled basis, as the Board determines.

(iii) The following shall be done at least quarterly:

(A) a current reconciliation of the Association's operating accounts;

(B) a current reconciliation of the Association's reserve accounts;

(C) a review of the current year's actual reserves, revenues and expenses compared to the current year's Budget;

(D) a review of the most current account statements prepared by the financial institution where the Association has its operating and reserve accounts;

(E) a review of an income and expense statement for the Association's operating and reserve accounts; and

(F) a review of the delinquency report listing all Homeowners

who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent.

3.22. Borrowing. The Association, acting through its Board, shall have the power to borrow money for any legal purpose; provided, the Board shall obtain the approval by vote or written consent of a majority of the, Homeowners if the proposed borrowing is for the purpose of making discretionary capital improvements or purchasing additional capital assets and the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 10% of the budgeted gross expenses of the Association for that fiscal year.

3.23 Rights of the Association. Subject to applicable law relating to Homeowner, officer, and director conflicts of interest, the Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, Neighborhood Associations, and other owners or residents associations, both within and outside the Properties.

Article IV Officers

4.1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The officers of the Association must be members of the Board and must be Homeowners. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed by the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2. Election and Term of Office. The officers of the Association shall be elected by the Board at an organizational meeting of the Board taking place pursuant to Section 3.4 of these Bylaws. Each officer shall serve a one year term; provided, each officer's term shall automatically renew unless at least a majority of the directors vote not to renew.

4.3. Removal and Vacancies. Any officer may be removed by a vote of at least a majority of the directors. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as may specifically be conferred or imposed by the Board; provided, the Board may not confer or impose powers or duties which may not otherwise be exercised by the Board. In the exercise of delegated responsibilities, officers shall not direct or unreasonably interfere with the day-to-day operations of the Association's management agent, if any, or such Persons designated or employed by the Board to perform management functions. By way of example, and not limitation, the officers shall have the following powers and duties:

(a) President. The President shall be the chief executive officer of the Association and shall exercise general supervision and direction of the affairs of the Association. The President shall have the authority to directly administer all matters not expressly delegated

or assigned to a managing agent or agents or others.

(b) Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

(c) Secretary. The Secretary shall be responsible for ensuring that the minutes of all meetings of the Association, the Board, and the committees of the Board are kept, and shall have charge of such books and papers as the Board may direct. In the Secretary's absence, any officer directed by the Board shall perform all duties incident to the office of secretary.

(d) Treasurer. The Treasurer shall have responsibility for ensuring the preparation of the Budget as provided for in the CC&Rs and these Bylaws by the management agent or agents retained by the Association or, if no managing agent is so retained, such persons retained by the Board to perform management functions.

4.5. Resignation. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association (other than for the withdrawal of reserve funds) shall be executed by at least two officers or by such other person or persons as may be designated by resolution of the Board. The Board shall require signatures for the withdrawal of reserve funds of two members of the Board. For purposes of this Section, "reserve funds" means monies the Board has identified in the capital expenditures budgets for use to defray the future repair or replacement of those replaceable assets which the Association is obligated to maintain and for use in making additional capital improvements and purchasing additional capital assets.

4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.11 hereof.

Article V Committees

5.1. Committees of the Board. Committees comprised solely of Members of the Board may be appointed to exercise the authority of the Board. Such committees shall be appointed upon the approval of at least a majority of the directors. Notwithstanding the above, no such committee may exercise the authority of the Board in reference to (a) submission to the Homeowners of any matter requiring an act of the Homeowners; (b) filling vacancies on the Board or on any committee of the Board; (c) adoption, amendment, or repeal of the Bylaws; or (d) fixing compensation of directors. The Board may, with or without cause, dissolve any such committee or remove any director from the committee at any time.

5.2. Other Committees. In addition to committees of the Board as set forth in Section 5.1 and such other committees as are required or authorized under the Governing Documents, the Board, by resolution from time to time, may establish such committees and charter clubs as it deems appropriate. Any such committee may perform such tasks and functions

as the Board may designate by resolution; provided, no committee or committee member may exercise any power or authority which could not otherwise be exercised by the Board in accordance with these Bylaws. The role of committees established pursuant to this Section shall be to advise the Board with respect to establishing operational policy or to assist the officers in the performance of their respective functions. No committee or committee member shall be authorized to perform or interfere with the day-to-day operations of the Association.

Each committee appointed pursuant to this Section shall consist of no more than one director. Other committee members may be Homeowners. A candidate slate consisting of all Homeowners who volunteer for committee assignments must be presented to the Board for vote. Committee members serve at the Board's discretion for such periods as the Board may designate by resolution; provided, however, any committee member, including the committee chair, may be removed by the vote of a majority of the directors. A committee chair can serve as the chair for a maximum of six years only but may remain on the committee longer than six years unless removed by a majority of the directors. A committee member, other than a Board member, may not serve on more than one standing committee at any one time. Each committee shall consist of no more than one representative from a property. A Board member shall not serve as committee chair of a standing committee. Any resolution establishing a charter club shall designate the requirements, if any, for membership therein. Each committee and charter club shall operate in accordance with the terms of the resolution establishing such committee or charter club.

5.3. Covenants Committee. In addition to any other committees which the Board may establish pursuant to Section 5.2, the Board may appoint a covenants committee consisting of at least three and no more than seven members. Acting in accordance with the provisions of the CC&Rs, these Bylaws, and resolutions the Board may adopt, the covenants committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to the policies established by the Board.

Article VI Miscellaneous

6.1. Fiscal Year. The fiscal year of the Association shall be July 1 through June30 unless otherwise established by Board resolution.

6.2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Arizona law, the Articles, the CC&Rs, or these Bylaws.

6.3. Conflicts. If there are conflicts between the provisions of Arizona law, the Articles, the CC&Rs, and these Bylaws, the provisions of Arizona law, the CC&Rs, the Articles, and the Bylaws (in that order) shall prevail.

6.4. Books and Records.

(a) Inspection by Homeowners and Mortgagees. Subject to the exceptions set forth below, upon written request, the Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage on a Lot, any Homeowner, or any person designated in writing as the Homeowner's representative at any reasonable time all financial and other records of the Association. The Board shall provide for such inspection to take place at the

office of the Association or at such other place within Bellasera as the Board shall designate.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made;
- and
- (iii) payment of the cost of reproducing documents requested and delivering copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association in furtherance of such director's duties as a director.

(d) Exceptions to Inspection Requirement. Notwithstanding any provision to the contrary, the Board shall not be required to make available for inspection any portion of any book or record which relates to any of the following:

- (i) personal health and financial records of a Homeowner, an employee of the Association or an employee of a contractor for the Association;
- (ii) matters relating to the job performance, compensation, health records or complaints against an individual employee of the Association or an individual employee of a contractor of the Association who works under the direction of the Association.
- (iii) privileged communication between an attorney for the Association and the Association;
- (iv) pending or contemplated litigation;
- (v) meeting minutes from a proper executive session; or
- (vi) any situations where the disclosure would violate any state or federal law.

6.5. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications shall be in writing and shall be sent to the Association, the Board, any officer of the Association, or the management agent, at the principal office of the Association or the management agent, if any, or at such other address as shall be designated by notice in writing to the Homeowners pursuant to this Section.

All such notices shall, for all purposes, be deemed delivered and received (a) upon personal delivery to the party or address specified above, or (b) on the third day after being deposited in the United States mail, postage prepaid and properly addressed.

6.6. Indemnification. Subject to any limitations imposed by applicable law, the Association shall indemnify every officer, director, and committee member against all expenses, including counsel fees, reasonably incurred by them and each of them in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member of the Association.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association. The Association shall indemnify and forever hold each such officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment or action. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

6.7. Amendment.

(a) By Homeowners. These Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Homeowners representing at least 51% of the votes in the Association. The percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(b) Valid and Effective Date of Amendments. Amendments to these Bylaws shall become effective upon date of execution of the same in the manner provided in these Bylaws, unless a later date is specified therein. Any procedural challenge to an amendment must be made within six months of the effective date of such amendment or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Bylaws.

If a Homeowner consents to any amendment to the CC&Rs or these Bylaws, it will be conclusively presumed that such Homeowner has the authority to do so, and no contrary provision in any Mortgage or contract between the Homeowner and a third party will affect the validity of such amendment.

These Restated & Amended Bylaws are adopted as of this 29th day of November, 2007.

Bellaser Community Association, Inc.

Name: DENNIS M. CARSON

By: Dennis M. Carson

Its: Vice President

SECRETARY'S CERTIFICATE OF ADOPTION

This is to certify that the foregoing Amended & Restated Bylaws were adopted by at least fifty-one percent of the Homeowners of Bellasera Community Association, Inc.

Date: November 29, 2007
Robert A. Shives

Secretary, Bellasera Community Association, Inc.