

BYLAWS OF
TROON MOUNTAIN COMMUNITY ASSOCIATION

ARTICLE 1

General

Section 1.1 - Declaration. These Bylaws shall constitute the Bylaws of TROON MOUNTAIN COMMUNITY ASSOCIATION (the "Association"), a corporation formed pursuant to that Declaration of Covenants, Conditions and Restrictions for Windy Walk Estates Unit II and Annexable Property, recorded September 1, 1992 as Instrument No. 92-0489266, records of Maricopa County, Arizona, the terms of which are incorporated herein by this reference (the "Declaration").

Section 1.2 - Personal Application. All present or future Owners, tenants, their employees, or any other persons who might use the Property in any manner, are subject to the regulations of these Bylaws.

Section 1.3 - Nonprofit Corporation. The Association is an Arizona nonprofit corporation, and is organized and existing under and by virtue of the laws of the State of Arizona. The office of the Association shall be located at 8711 East Pinnacle Peak Road, Suite F-207, Scottsdale, Arizona 85255.

ARTICLE 2

Definitions

Section 2.1 - Terms. Unless otherwise defined in these Bylaws, the capitalized terms utilized herein shall have the same meanings as set forth in the Declaration.

ARTICLE 3

Membership and Voting Rights

Section 3.1 - Membership. Every Owner, including Declarant, shall be a Member, of the Association. An Owner shall remain a member of the Association until such time as he

ceases to be an Owner, at which time his membership in the Association shall automatically cease. Ownership of a Lot shall be the sole qualification and criterion for membership. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Transfer of Lot ownership, either voluntarily or by operation of law, shall terminate the membership of the transferors thereof in the Association. A membership in the Association shall not be transferred, pledged or alienated in any way except on the sale of such Lot and then only to such purchasers, or by intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. Any attempt to make a prohibited transfer is void and will not be reflected on the books and records of the Association. If an Owner fails or refuses to transfer the membership registered in his name to the purchaser of such Lot, the Association shall have the right to record the transfer upon the books of the Association and thereupon the old membership outstanding in the name of the seller shall be null and void as though the same had been surrendered.

Section 3.2 - Voting Rights. Anything in these Bylaws to the contrary notwithstanding, Class A members shall not be entitled to exercise any voting rights until the first to occur of (the "Turnover Date"):

(i) the date twenty (20) years from the date of this Declaration, or

(ii) such time as Declarant shall elect to transfer control of the Association to the Members by notice to the Association in writing.

Fractional votes shall not be allowed. However, if an Owner holds more than one vote, the votes need not be cast as a unit.

Section 3.3 - Majority. A majority of the votes of Members present at any meeting at which a quorum is present shall decide any question unless these Bylaws, the Declaration or applicable law shall provide otherwise, and in such event, the voting percentage required in these Bylaws, the Declaration, or such applicable law shall control.

Section 3.4 - Multiple Ownership. If a Lot is owned by two or more persons in joint tenancy, tenancy in common, or as community property or other form of joint ownership, the membership as to such Lot shall nevertheless be a single

membership entitled to one vote, although the membership for such Lot shall be issued in the names of all of the joint Owners. The joint Owners shall designate to the Association, in writing, the person who shall have the power to vote the membership. In the absence of such designation, and until such designation is made, such joint owners shall lose their right to vote with respect to all matters in question.

Section 3.5 - Certificates. No certificates of membership shall be issued and membership shall be evidenced by an official list of members kept by the secretary of the Association.

Section 3.6 - Suspension of Voting Rights. If any Owner is in arrears in the payment of any amount due under any of the provisions of these Bylaws or the Declaration for a period of fifteen (15) calendar days, or shall be in default in the performance of any of the terms of these Bylaws or the Declaration for a period of fifteen (15) calendar days, said Owner's right to vote as a member of the Association shall be automatically suspended and shall remain suspended until all payments are brought current and all defaults cured.

ARTICLE 4

Meetings of the Members

Section 4.1 - Place. All meetings of the Members shall be held at the Association office, or at such other place and time as shall be designated by the Board of Directors of the Association and stated in the notice of meeting.

Section 4.2 - Notices. It shall be the duty of the secretary of the Association to mail a notice of each annual or special meeting, stating the time and place thereof to each Owner of record at least ten (10) days, but not more than fifty (50) days prior to such meeting. Notices of any special meeting shall state the purpose thereof. All notices shall be mailed to or served at the address of the Owner as it appears on the books of the Association.

Section 4.3 - Annual Meeting. From and after the Turnover Date or prior to such date if the Declarant deems an annual meeting to be necessary in Declarant's sole discretion, an annual meeting of Members shall be held at the Association office, or such other place as may be fixed by the Board of Directors and set out in the notice of meeting, on the first Monday of April of each year, for the purpose of electing

directors and transacting other business authorized to be transacted by the Members. However, the Board of Directors may by resolution fix the date of the annual meeting at such other date as the Board may deem appropriate.

Section 4.4 - Special Meetings. Special meetings of the Members, for any purpose or purposes, may be called by the president or by the vice president whenever deemed expedient or necessary. Following the Turnover Date, the president or vice president shall call a special meeting of the Members when so requested by the Members who are entitled to vote one-fourth (1/4) of all of the votes in the Association, or when so instructed by a majority of the Board of Directors.

Section 4.5 - Quorum. At a meeting of the Members, Members representing fifty-one percent (51%) of the total voting rights, present in person or represented by proxy, shall constitute a quorum for the transaction of business except as otherwise provided by statute, the Declaration, or the Articles. In the absence of a quorum, a majority of the Members present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than sixty (60) days from the time the original meeting was called. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been conducted at the meeting originally noticed.

Section 4.6 - Voting. A Member may vote in person or by proxy executed in writing by such Member. Such proxy shall be filed with the Secretary before or at the time of the meeting. No proxy shall be valid after one (1) month from the date of its execution, unless otherwise provided in the proxy. Every proxy shall be revocable and shall automatically become invalid upon conveyance by the Member of his Lot. Memberships held by a legal representative or by a court-appointed receiver may be voted, in person or by proxy, by such representative or receiver without the transfer of such membership into the name of the trustee.

Section 4.7 - Cumulative Voting. In all elections of Directors of the Association, Members shall have the right to cumulate their votes.

Section 4.8 - Informal Action. Any action required to be taken at a meeting of the Members, or any other action which may be taken at such meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

Section 4.9 - Irregularities. All information and/or irregularities in calls, notices of meetings and in the manner of voting, form of proxies, credentials, and method of ascertaining those present, shall be deemed waived if no objection is made at the meeting or if waived in writing.

Section 4.10 - Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members, or in order to make a determination of Members for any other purpose, the Board of Directors, at its election, may provide that the Membership books shall be closed for a stated period, but not to exceed in any case fifteen (15) days prior to the event concerned.

ARTICLE 5

Board of Directors

Section 5.1 - Membership. The Board shall consist of not less than three (3) nor more than five (5) members. Board members shall serve a term of one (1) year and may be appointed or elected to successive terms. Prior to the Turnover Date, all members of the Board shall be appointed and removed by Declarant and such appointees need not be Owners. After the Turnover Date, all of the Board members shall be elected by the Members at each annual meeting, using cumulative voting, and each Board member shall be an Owner (or the spouse of an Owner, or if an Owner is a corporation, partnership or trust, an officer, director, agent, beneficiary, trustee or partner, as applicable).

Section 5.2 - Removal of Directors. Prior to the Turnover Date, Declarant may remove any one of more of the Directors with or without cause. Following the Turnover Date, any Director may be removed with or without cause by the affirmative vote of the majority of Members. However, if less than the entire Board is to be removed, no one of the Directors may be removed if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board.

Section 5.3 - Vacancies on Board of Directors. Prior to the Turnover Date, if the office of any Director becomes vacant for any reason, the Declarant shall choose a successor who shall hold office for the balance of the unexpired term. Following the Turnover Date, if the office of any Director becomes vacant by reason of death, resignation, retirement,

disqualification, removal from office, disability or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor, who shall hold office for the balance of the unexpired term.

Section 5.4 - Disqualification and Resignation of Directors. Any Director may resign at any time by sending written notice of such resignation to the secretary of the Association at the office of the Association. Unless otherwise specified therein, such resignation shall take effect upon its receipt by the secretary.

Section 5.5 - Regular Meetings. The Board may but shall not be obligated to establish a schedule of regular meetings to be held at such time and place as the Board may designate. Notice of such regular meetings shall nevertheless be given to each Director personally, by mail or telephone, at least five (5) days prior to the day named for such meeting.

Section 5.6 - Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association. These powers shall include but not be limited to the following:

- A. To make Assessments as authorized by the Declaration, collect Assessments, and use and expend the Assessments to carry out the purposes and powers of the Association;
- B. To employ, dismiss and control the personnel necessary for the maintenance of the Common Areas and operation of the Association, including the right and power to employ attorneys, accountants, contractors and other professionals as the need arises;
- C. To make and amend rules and regulations which shall restrict and govern the use of the Common Areas;
- D. To contract for the management of the Association and to designate to such manager all or a portion of the powers and duties of the Association;
- E. To engage in the management of the business affairs of the Association including, without limitation the maintenance, repair, replacement and operation of the Common Areas;
- F. To enforce by legal means, if necessary, the provisions of the Declaration, the Articles of Incorporation,

the Bylaws and the Association's Rules, and other documents and laws respecting the Association and the Property;

G. To pay taxes and assessments which are liens against any part of the Common Area;

H. To pay the cost of all power, water, sewer and other utility services rendered to the Common Areas;

I. To select the officers of the Association; and

J. To exercise all of the rights, powers and duties granted to it and/or the Association by the Declaration, the Articles, these Bylaws or the rules and regulations promulgated by the Board and to exercise all rights, powers and duties necessary in order to accomplish the intent of such rights, powers and duties.

Section 5.7 - Special Meetings. Special meetings of the Board may be called by the President on three (3) days notice to each Director, given personally, by mail or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the president or secretary in like manner and on like notice on the written request of at least two-thirds (2/3) of the Directors.

Section 5.8 - Waiver of Notice. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 5.9 - Board of Directors' Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board, there should be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

ARTICLE 6

Officers

Section 6.1 - Elective Officers. The principal officers of the Association shall be president, vice president and a secretary/treasurer. The Board shall have the right to appoint such other officers as the Board deems necessary. Any two or more offices may be held by the same person except the offices of president and secretary.

Section 6.2 - Term. The officers of the Association shall hold office until their successors are chosen and qualify in their stead. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board.

Section 6.3 - President. The president shall be the chief executive officer of the Association and shall preside at all meetings of the Members. He shall have executive powers and general supervisory authority over the affairs of the Association.

Section 6.4 - Vice President. The vice president shall perform all of the duties of the president in his absence or disability and such other duties as may be required of him from time to time by the Board.

Section 6.5 - Secretary and Treasurer. The secretary shall issue notices of all meetings of the Members and shall attend and keep the minutes of the same and shall have charge of all of the Association's books, records and papers. The Treasurer shall have custody of and shall keep full and accurate account of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name of and to the credit of the Association, in such depositories as may be designated from time to time by the Board.

Section 6.6 - Contracts. Unless otherwise provided by the Board, all contracts shall be executed on behalf of the Association by either the president or vice president.

ARTICLE 7

Amendments of the Bylaws

Section 7.1 - Amendment. These Bylaws may be altered, amended or added to by the affirmative vote of a majority of the Board at any duly called meeting of the Board.

Section 7.2 - Inconsistencies. Notwithstanding the foregoing, these Bylaws shall not be amended to contain any provision which would be contrary to or inconsistent with the Declaration or Articles as in effect from time to time, and any provisions of or purported amendment to these Bylaws which is contrary to or inconsistent with the Declaration or Articles shall be void to the extent of such inconsistency.

ARTICLE 8

Construction

Section 8.1 - Priorities. Any discrepancies or conflicts between the provisions of the Arizona Revised Statutes or applicable law, the Declaration, the Articles and Bylaws, and the Association Rules shall, unless otherwise provided, be resolved by giving priority first to the Arizona Revised Statutes or applicable law, second to the Declaration, third to the Articles, fourth to the Bylaws, and fifth to the Association Rules.

Section 8.2 - Disputes. In the event of any dispute or disagreement between any Owners relating to the Property, or any questions of interpretation or application of the provisions of the Articles of Incorporation, Declaration, or these Bylaws, the determination thereof by the Board shall be final and binding on each and all Owners.

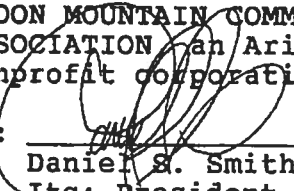
Section 8.3 - Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of each year, except that the first fiscal year shall begin on the date of incorporation of the Association and shall end on the 31st day of December of that year.

CERTIFICATION OF ADOPTION

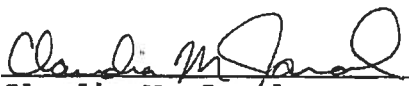
This is to certify that the foregoing Bylaws were duly adopted by the Board of Directors of Troon Mountain Community

Association pursuant to an Action by Unanimous Written Consent
of the Board of Directors in Lieu of First Meeting
dated September 4, 1992.

TROON MOUNTAIN COMMUNITY
ASSOCIATION, an Arizona
nonprofit corporation

By: 
Daniel S. Smith
Its: President

Attest:



Claudia M. Jarol
Secretary

231M/10-19

FIRST AMENDMENT
TO
BYLAWS OF
TROON MOUNTAIN COMMUNITY ASSOCIATION

WHEREAS, pursuant to Article 7, Section 7 of the Bylaws, the Bylaws may be amended by the affirmative vote of a majority of the Board at any duly called meeting of the Board;

NOW, THEREFORE, the Board of Directors hereby amends the Bylaws as follows:

Article 5, Section 5.1 of the Bylaws is amended as follows:

Section 5.1 - Membership. The Board shall consist of not less than five (5) nor more than seven (7) members. At the first election following the Turnover Date, five (5) Board members shall be elected to the Board. Two (2) Board members shall be elected to a two-year term and three (3) Board members shall be elected to a three-year term. Thereafter, all Board members shall be elected to three (3) year terms, and may be appointed or elected to successive terms. Prior to the Turnover Date, all members of the Board shall be appointed and removed by Declarant and such appointees need not be Owners. After the Turnover Date, all of the Board members shall be elected by the Members at each annual meeting, using cumulative voting, and each Board member shall be an Owner (or the spouse of an Owner, or if an Owner is a corporation, partnership or trust, an officer, director, agent, beneficiary, trustee or partner, as applicable) and a resident of a Lot within the Association. If the Board of Directors expands the size of the Board to seven (7) members in the future, it may establish the term length to which such members would be elected to maintain staggered terms among the Directors.

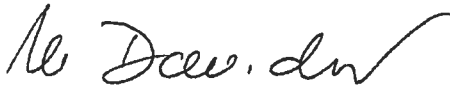
Article 4, Section 4.6 of the Bylaws is amended as follows:

Section 4.6 - Voting. A Member may vote in person or by proxy or by written ballot, if the Association makes a written ballot available. Any proxy must be executed in writing by such Member and filed with the Secretary before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Every proxy shall be revocable and shall automatically become invalid upon conveyance by the Member of his Lot. Memberships held by a legal representative or by a court-appointed receiver may be voted, in person or by proxy, by such representative or receiver without the transfer of such membership into the name of the trustee. If the Association provides a written ballot to vote on any matter, the written ballot shall contain information as to the number of responses needed to meet quorum requirements, the percentage of approvals necessary to approve each matter other than the election of directors, and the time by which the ballot must be delivered to the Association to be counted, which time shall not be less than three days after the date that the Association delivers the ballot to the members. Any written ballot is irrevocable.

The President of the Association hereby certifies that the above Bylaw amendments were adopted by the affirmative vote of a majority of the Board of Directors at a meeting of the Board held on August 21, 2002.

DATED this 21st day of August, 2002.

Troon Mountain Community Association

By: 

Name: Michael Davidov

Title: President

**SECOND AMENDMENT
TO THE BYLAWS OF
TROON MOUNTAIN COMMUNITY ASSOCIATION**

WHEREAS, The Board of Directors is permitted by Article 7, Section 7.1 of the Bylaws to amend the bylaws of the Corporation.

RESOLVED, that Article 4, Section 4.5 of the Bylaws be amended to read as follows:

Section 4.5 – quorum. At a meeting of the Members, Members representing ten percent (10 %) of the total voting rights, present in person or represented by proxy, shall constitute a quorum for the transaction of business except as otherwise provided by statute, the Declaration, or the Articles. In the absence of a quorum, a majority of the members present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than sixty (60) days from the time the original meeting was called. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been conducted at the meeting originally noticed.

The foregoing amendment of Article 4, Section 4.5 was adopted by the Board of Directors of Troon Mountain Community Association at a Special Board of Directors meeting held at Scottsdale, Arizona on February 18, 2003 to be effective February 18, 2003.



Michael Davidov, President

**THIRD AMENDMENT TO THE BYLAWS
OF TROON MOUNTAIN COMMUNITY ASSOCIATION**

WHEREAS, the Bylaws were adopted September 4, 1992;

WHEREAS, on August 21, 2002, a First Amendment to the Bylaws was adopted;

WHEREAS, on February 18, 2003, a Second Amendment to the Bylaws was adopted;

WHEREAS, the Board of Directors is permitted by Article 7, Section 7.1 of the Bylaws to amend the Bylaws;

THEREFORE, the Board of Directors hereby amends the Bylaws as follows:

1. The first three sentences of Section 5.1 of the Bylaws are deleted [the remaining sentences to remain], replaced with the following:

The Board shall consist of not less than three (3) nor more than five (5) individuals. At the annual meeting in 2004, one (1) director shall be elected to a three-year term. At the annual meeting in 2005, two (2) directors shall be elected to a three-year term. At the annual meeting in 2006, two (2) directors shall be elected to a three-year term.

The President of the Association hereby certifies that the above Bylaw amendment was adopted by the affirmative vote of a majority of the Board of Directors at a meeting duly held and called on February 26, 2004.

Dated this 26th day of March, 2004.

Troon Mountain Community Association

By: 

Michael Davidov

Its: President

BOARD RESOLUTION

AMENDMENT TO BYLAWS CHANGING THE QUORUM REQUIREMENT

TROON MOUNTAIN COMMUNITY ASSOCIATION

WHEREAS, the Bylaws of Troon Mountain Community Association, Article 7, Section 7.1, give the Board the power to amend the Bylaws;

WHEREAS, A.R.S. 10-11023 of the Arizona Nonprofit Corporation Act appears to require the approval of the members to amend the quorum requirement of the Bylaws;

NOW, THEREFORE, the Board of Directors hereby approves amending Article 4, Section 4.5 of the Bylaws as follows:

Section 4.5 - Quorum. At a meeting of the Members, Members representing ten percent (10%) of the total voting rights, present in person, by proxy, or by written ballot, shall constitute a quorum for the transaction of business except as otherwise provided by statute, the Declaration, or the Articles. In the absence of a quorum, a majority of the Members present, either in person or by proxy, may adjourn the meeting to a time not less than five (5), nor more than sixty (60) days, from the time the original meeting was called. At the subsequent meeting the quorum shall be one-half (1/2) of the required quorum at the preceding meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been conducted at the meeting originally noticed. Furthermore, any proxies for the meeting originally noticed shall be valid for any subsequent meeting held in accordance with this provision.

The Board of Directors will submit the above amendment to the membership for approval, and the amendment shall require the approval of Members representing fifty-one percent (51%) of the total voting rights of the Association.

This Resolution was approved by the Board of Directors at the Board meeting held on December 18, 2002.

DATED this 18th day of December, 2002

Troon Mountain Community Association

By: Michael Davidov

Name: Michael Davidov

Title: President