

AMENDED AND RESTATED BYLAWS OF
PASEO VILLAS IMPROVEMENT ASSOCIATION

ARTICLE I
Name and Location

The name of the corporation is PASEO VILLAS IMPROVEMENT ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at Scottsdale, Arizona. Meetings of members and directors may be held at such places within the state of Arizona, County of Maricopa, as may be designated by the Board of Directors.

ARTICLE II
Definitions

Capitalized terms used in these Bylaws and not otherwise defined herein shall have the meaning set forth in the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Paseo Villas Improvement Association (the "Declaration").

ARTICLE III
Membership

Section 1. Every Person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to the Declaration, including a purchaser under an Agreement for Sale or Contract of Purchase but excluding Trustee, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association, except in the case of lots, fee title to which are vested in Trustee or Declarant. Ownership of such lot shall be the sole qualification for membership.

Section 2. Suspension of Membership. During any period in which a Member shall be in default in the payment of any Assessment, charge, monetary penalty, or other amounts levied by the Association, the voting rights and right to use of the recreational facilities of such Member may be suspended by the Board of Directors until such amounts have been paid. Such rights of a Member may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days, for violation of the Declaration or any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

ARTICLE IV
Board of Directors; Selection; Term of Office

Section 1. Number: The affairs of this Association shall be managed by a Board of five (5) directors, who shall be members of the Association.

Section 2. Election: At the first annual meeting, the members shall elect one director for a term of one year, two directors for a term of two years, and two directors for a term of three years. At each annual meeting thereafter, the Members shall elect directors to replace those directors whose terms have expired. The newly elected directors shall from then forward serve for three (3) year terms. All elections and appointments of directors under these Bylaws shall be made in a manner to preserve the staggering of terms contemplated hereby.

Section 3. Removal and Vacancies: Any director may be removed from the Board, with or without cause, in accordance with the procedures established by A.R.S. § 33-1813. In the event of a vacancy on the Board due to death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the un-expired term of his predecessor.

Section 4. Compensation: No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action taken Without a Meeting: The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V
Meetings of Directors

Section 1. Regular Meetings: Regular meetings of the Board shall be held at such time and place as the Board shall determine. Notice to Directors of regular meetings shall be delivered by telephone, mail, e-mail, or facsimile to each Director not less than forty-eight (48) hours prior to the meeting. 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. Notice to Members of regular meetings of the Board shall be given at least forty-eight (48) hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board.

Section 2. Special Meetings: Special meetings of the Board of Directors shall be held when called by the president of the Association, or any three directors. Notice to Directors of special meetings shall be delivered to each Director by mail, telephone, e-mail, or facsimile. Notice to Directors of special meetings shall be given not less than

forty-eight (48) hours prior to the special meeting unless, pursuant to A.R.S. § 3 3-1804(E), emergency circumstances necessitate a meeting before such notice can be given. Notice of any such meeting need not be given to any Director who signed a waiver of notice or a written consent to holding of the meeting. After the Declarant Control Period, notice to Members of special meetings of the Board shall be given at least forty-eight (48) hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board, unless emergency circumstances necessitate a meeting before forty-eight (48) hours' notice can be given. Notice to Directors of special meetings shall state the time, place and purpose of the meeting. Special meetings of the Board shall be held at such time and place as the Board shall determine.

Section 3. Quorum: A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Open Meetings. Regular and special meetings of the Board are open to all Members in accordance with A.R.S. § 33-1804 and may be closed only to the extent permitted by law.

ARTICLE VI Nomination and Election of Directors

Section 1. Nomination: Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members.

Section 2. Election: Election to the Board of Directors shall be by secret written ballot. At such election, the members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration.

ARTICLE VII Powers and Duties of the Board of Directors

Section 1. Powers: The Board of Directors has all the powers of an Arizona non-profit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Governing Documents. The Board has the power to do any

and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of these Bylaws, the Association's Articles of Incorporation, the Declaration, and applicable law, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association. Without being limited by the foregoing, the Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions or these Bylaws, the Articles of Incorporation, or the Declaration;
- (c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (d) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties: It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting, when such statement is requested in writing by one-fourth of the Members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, establish and collect Assessments from the Members;
- (d) issue, or cause an appropriate officer to issue upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board for issuance of these certificates. If a certificate states an Assessment has been paid, such certificate shall be conclusive of payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Area to be maintained.

ARTICLE VIII Committees

Section 1. The Board shall be authorized to appoint an Architectural Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors may appoint such other committees from

time to time as deemed appropriate in carrying out its purposes, including but not limited to:

(a) Budget and Finance Committee, which, if appointed, may supervise the annual audit of the Association's books and recommend to the Board an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, as provided in Article X, Section 8(d). The Treasurer shall be an ex officio member of the committee.

(b) Community Relations Committee, which, if appointed, may provide guidance to the Board in internal relations, plus external relations with the McCormick Ranch, City of Scottsdale, Scottsdale Schools and other units of government or public agencies.

(c) Hospitality and Activities Committee, which, if appointed, may greet new residents and plan activities for the community.

(d) Landscape and Grounds Committee, which, if appointed, may advise the Board on the planting and maintenance of trees, shrubs, flowers and lawns in the Common Area.

(e) Lighting and Security, which, if appointed, may advise the Board concerning the lighting of streets and Common Areas, traffic regulations and the general safety and security of the Properties.

(f) Structural Maintenance, which, if appointed, may advise the Board on the condition, maintenance, repair and improvement of Common Areas and Areas of Association Responsibility.

(g) Swimming Pool and Clubhouse, which, if appointed, may recommend to the Board rules and regulations to govern the operation of these common facilities in the best interest and enjoyment of all homeowners.

Section 2. Committees may receive written suggestions from Members on any matter involving Association functions, duties and activities within its defined area of responsibility. The respective Committee may recommend such action as it deems appropriate or refer to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE IX Meeting of Members

Section 1. Annual Meetings: The annual meeting of the Members shall be held in March of each year, at a date, time, and place designated by the Board of Directors. .

Section 2. Special Meetings: Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members having at least one-fourth of the votes in the Association.

Section 3. Notice of Meetings: Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days

before such meeting, and no earlier than fifty (50) days in advance of the meeting, to each Member, addressed to the Member's address last appearing on the books of the Association or supplied by such member to the Association for the purpose of this notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum: The presence at the meeting, whether in person or by absentee ballot, of Members entitled to cast one-fourth of the votes of the entire membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Absentee Ballots: At all meetings of Members, each Member may vote in person or by absentee ballot.

Section 6. Action by Written Consent. Pursuant to Arizona law, including, but not limited to, A.R.S. § 10-3704, as amended from time to time, the Members may approve any action required or permitted by law that requires the Members' approval without a meeting of the Members if the action is approved in writing by Members holding at least a majority of the voting power in the Association, unless the Declaration, Articles, these Bylaws or applicable law require a different amount of voting power. The action shall be evidenced by one (1) or more written consents describing the action taken, signed by those Members representing at least the requisite amount of the voting power, and delivered to the Association for inclusion in the minutes or filing with the corporate records of the Association.

ARTICLE X Officers and their Duties

Section 1. Enumeration of Offices: The officers of this Association shall be a president and vice president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers: The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term: The officers of this Association shall be elected annually by the Board and each shall hold office for one year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments: The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period,

have such authority and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal: Any officer may be removed from office with or without cause by the Board. 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 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.

Section 6. Vacancies: A vacancy in any office may be filled by an appointment by the Board. The officer appointed to such vacancy shall serve until the next annual meeting.

Section 7. Multiple Offices: The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties: The duties of the officers are as follows:

(a) President - The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall cosign all checks and promissory notes.

(b) Vice President - The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary - The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing Members of the Association, together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer - The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association, keep proper books of account; cause an annual audit, review, or compilation of the Association books to be made by a public accountant at the completion of each fiscal year; and shall, with the Budget and Finance Committee, prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE XI
Contracts, Loans, Checks and Deposits

Section 1. Contracts: The Board of Directors may authorize any officer or officers, agent or agents, of the Association to enter into any contract or execute and deliver any instrument in the name of the Association and on behalf of the Association and such authority may be general or confined to specific instances.

Section 2. Loans: No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a signed resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, drafts, etc.: All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be cosigned by such officers, agent or agents, of the Association and in such a manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits: All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories that the Board of Directors may select.

ARTICLE XII Books and Records

The Declaration, Articles of Incorporation, these Bylaws and any Rules, Regulations or Guidelines adopted by the Board, together with the books and records of account and membership and minutes of Association and Board meetings shall be made reasonably available for inspection by any Member or by any person designated by a Member in writing as the Member's representative. The Association shall have ten business days to fulfill a request for examination. On request for purchase of copies of records by any Member or by any person designated by a Member in writing as the Member's representative, the Association shall have ten business days to provide copies of the requested records. The Association may charge a fee for making copies of not more than 15 cents per page. Books and records kept by or on behalf of the Association and the Board may be withheld from disclosure to the extent that the portion withheld relates to any of the topics listed in A.R.S. § 33-1805(B), as amended, or any successor statute.

ARTICLE XIII Amendments and Conflicts

Section 1. Amendments to the Bylaws must be approved by the Board of Directors and by Members holding a majority of the votes in the Association.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and, in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV
Miscellaneous

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

CERTIFICATE OF ADOPTION

This is to certify that the foregoing Amended and Restated Bylaws were duly adopted by the affirmative vote of a majority of the Members on the 15th day of November, 2021.



Secretary, Paseo Villas Improvement Association