

**AMENDED AND RESTATED BYLAWS
OF
ESTATES AT DREAMY DRAW HOMEOWNERS ASSOCIATION
an Arizona nonprofit corporation
(Adopted, February 25, 2007, Last Amended November 3, 2019))**

**ARTICLE I
General Provisions**

Section 1.1. Organization. Estates at Dreamy Draw Homeowners Association (the "Association") is a non-profit corporation organized under the laws of the State of Arizona.

Section 1.2. Offices. The Association shall maintain its principal office at the location of the Managing Agent (as defined below) engaged by the Association or such other place within the State of Arizona as determined by the Board of Directors or as the business of the Association may require from time to time where all business of the Association may be transacted.

Section 1.3. Known Place of Business. The known place of business of the Association, as required by A.R.S. § 10-3501 to be maintained in the State of Arizona, may, but need not, be identical with the office of its statutory agent in the State of Arizona. The address of the known place of business may be changed from time to time by the Board of Directors in accordance with A.R.S. § 10-3502.

Section 1.4. Corporate Seal. A corporate seal may be used, but shall not be requisite to the validity of any instrument executed by or on behalf of the Association. The Board of Directors may provide a corporate seal which, in such event, shall be circular in form, shall have inscribed thereon the name of the Association, the year of its incorporation, and the state of incorporation.

Section 1.5. References. Any reference herein made to the Articles will be deemed to refer to the Association's Articles of Incorporation and all amendments thereto as at any given time on file with the Commission. Any reference to CC&R's will be deemed to refer to the Declaration of Covenants, Conditions and Restrictions for The Estates at Dreamy Draw recorded at Maricopa County Recorder's No. 84-104844, as amended from time to time. Any references to the Arizona Nonprofit Corporations Act refers to Arizona Revised Statutes §§10-3101 through 10-3864 and 10-11001 through 10-11702, or any successor act thereof. Any reference to Planned Community Laws refers to Arizona Revised Statutes §§12-1361 through 12-1366, 33-1802 through 33-1813, and 33-2001 through 33-2003, or any successors to such laws.

Section 1.6. Conflicting Provisions. The statutes of the State of Arizona will be considered in all respects superior to the CC&R's, the Articles, and these Bylaws with any inconsistency resolved in favor of said statutes. The CC&R's and the Articles will in all respects be considered senior and superior to these Bylaws, with any inconsistency to be resolved in favor of the CC&R's and the Articles. These Bylaws to be deemed automatically amended from time to time to eliminate any such inconsistency which may then exist.

Section 1.7. Non-Profit Operation. The Association will not have or issue

shares of stock. No dividends will be paid. No part of the income or assets of the Association will be distributed to its Members (as defined below), directors or officers without full consideration. Subject to the provisions of Article VIII of these Bylaws, the Association may contract in due course with its Members, directors and officers without violating this provision.

ARTICLE II

Members

Section 2.1. Qualification for Membership. In accordance with the provisions of the CC&R's, the members of the Association shall be the owners of patio home units (the "Patio Home Units") within the Estates at Dreamy Draw (the "Members"). There shall be one (1) membership with respect to each Patio Home Unit. Membership shall occur automatically upon acquiring the ownership of a Patio Home Unit and shall cease automatically upon termination of the ownership of the Patio Home Unit. In the event ownership of a Patio Home Unit is held by two or more persons, the membership shall be joint.

Section 2.2. Annual Meeting. An annual meeting of the Members of the Association shall be held on the first (1st) Monday of February of each year commencing in 2003, or on such other date as determined by the Board of Directors. The place and time of the meeting shall be set by the Board of Directors. If the date set for the annual meeting of the Members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday. An election of the Board of Directors in accordance with Article III of these Bylaws shall be held at the annual meeting. The Members may also transact such other business as may properly come before them.

Section 2.3. Special Meetings. Special meetings of the Members of the Association may be called at any time by the President or the Board of Directors or upon written request signed by Members holding at least one-tenth (1/10) of the total authorized votes in the Association.

Section 2.4. Notice of Meetings; Waiver. The Board of Directors shall set the record date for determining the Members entitled to notice of and to vote at a meeting, provided that such record date shall not be more than seventy (70) days prior to the date of the meeting. Written notice of each meeting of the Members shall be give by, or at the direction of, the Secretary or person authorized to call the meeting by causing a copy of the noticed to be (i) hand-delivered, or (ii) mailed, postage prepaid, at least ten (10) and not more than fifty (50) days before such meeting to each Member entitled to vote thereat 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 notice. Such notice shall specify the place, day and hour of the meeting. In the case of a special meeting the notice shall state the purpose or purposes of the meeting, including the general nature of any proposed amendment to the CC&R's, Articles of Incorporation or Bylaws, changes in assessments that require approval of the Members, and any proposal to remove a director from office. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place of the meeting is announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Members may transact any business which might have been transaction at the original meeting. If the adjournment is for more than thirty (30) days or to a date more than seventy (70) days after the original record date for notice of the meeting, a notice of the adjourned meeting shall be give to each Member entitled to vote at the meeting. A Member may waive notice before or after the date and time stated in the notice if the waiver is in writing, signed by the Member entitled to the notice, and is delivered to the Association for inclusion in the minutes or filing with the corporate

records. By attending a meeting, a Member waives any right that the Member may have had to object to the meeting on the basis that the proper notice of the meeting was not given in accordance with these Bylaws, the Arizona Nonprofit Corporations Act or Planned Community Laws, unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting. By attending a meeting, a Member also waives any right that Member may have had to object to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter at the time it is presented.

Section 2.5. Quorum. Except as otherwise provided in the Association's CC&R's, Articles of Incorporation, or these Bylaws, the presence in person or by absentee ballot of Members entitled to cast one-fourth (1/4) of the total authorized votes in the Association shall constitute a quorum at all meetings of the Members. If a quorum shall not be present at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice, other than announcement at the meeting, until a quorum shall be present.

Section 2.6. Voting. At all meetings of the Members, each Member shall have one (1) vote which may be cast in person or by absentee ballot. If a Patio Home Unit ownership is joint, the joint owners shall designate one of their number who shall have the authority to vote for that member. Unless otherwise provided in these Bylaws, a matter submitted to a vote of the Members shall be deemed approved if a quorum is present and a majority of those Members present in person or by absentee ballot vote in favor of the matter.

Section 2.7. Absentee Ballots. Members may not vote by proxy but may vote by absentee ballot. Any absentee ballot utilized in connection with a meeting of Members or an action by the Members without a meeting shall comply with all of the following:

- (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 shall be valid for only one specified election, meeting or action and expires automatically after the completion of the election, meeting or action.
- (d) The absentee ballot specifies the time and date by which the ballot must be delivered to the Board of Directors in order to be counted, which shall be at least seven (7) days after the date that the Board of Directors delivers the unvoted absentee ballot to the Member.
- (e) The absentee ballot does not authorize another person to cast votes on behalf of the Member.

If the name on an absentee ballot corresponds to the name of a Member, the Association if acting in good faith is entitled to accept the absentee ballot and give it effect as the act of the Member. If the name on an absentee ballot does not correspond to the record name of a member, the Association if acting in good faith is entitled to accept the absentee ballot and give it effect as the act of the Member if (i) the Member is a trust or other entity and the name purports to be that of a trustee, officer or agent of the entity, (ii) the name purports to be a personal representative or other fiduciary representing the Member, or (iii) the name satisfies any of the other bases set forth in Arizona Revised Statutes §10-3727. The Association is entitled to reject an absentee ballot if the Secretary or other officer authorized to tabulate votes, acting in good faith, has reasonable doubt about the validity of the signature on the absentee ballot or about the signatory's authority to sign for the Member. A member may revoke an absentee ballot by

attending the meeting for which the absentee ballot was submitted and voting in person.

Section 2.8. Action Without a Meeting. Any action that the Association may take at an annual or special meeting of the Members may be taken without a meeting if the Association delivers an absentee ballot conforming to the requirements of Section 2.7 of these Bylaws to every Member entitled to vote on the matter. In addition, the solicitation for votes by absentee ballot without a meeting shall indicate the number of responses needed to meet the quorum requirements and state the percentage of approvals necessary to approve each matter (other than the election of directors). Approval of an action is valid if the number of votes cast by absentee ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of votes in favor of the action equals or exceeds the number that would be required to approve the matter at a meeting at which the number of votes cast was the same as the number of votes cast by absentee ballot. Once cast, an absentee ballot submitted in connection with an action without a meeting may not be revoked.

ARTICLE III Board of Directors

Section 3.1. Powers of Directors. The powers of the Association shall be exercised, and the business and affairs of the Association shall be managed by its Board of Directors, subject to any limitation which may be set forth the Arizona Nonprofit Corporations Act, the Planned Community Law, the CC&R's, the Articles of Incorporation or these Bylaws. The Board of Directors shall have the following specific power and duties:

- (a) Adopt and publish rules and regulations ("Rules and Regulations") concerning the use of the Patio Home Units and the Common Area.
- (b) In the exercise of its discretion, enforce by legal means the provisions of the CC&R's, the Articles of Incorporation, these Bylaws and the Rules and Regulations including, where appropriate, the imposition and enforcement of fines or penalties.
- (c) Provide for the operation, care, upkeep and maintenance of all of the Common Area.
- (d) Make or contract for the making of repairs, additions to, improvements to, replacements to, or alternations of the Common Area, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- (e) Designate, hire and dismiss the personnel or contractors necessary for the maintenance, operation, repair, or replacement of the Common Area or elements therein and provide for the compensation of such personnel and contractors and for the purchase of equipment, supplies and materials to be used by such personnel and contractors in the performance of their duties, or delegate any of such duties to a Managing Agent acting under the direction of the Board of Directors.
- (f) Engage and compensate a Managing Agent who shall perform such duties and services as the Board of Directors shall authorize, including, but not limited to, all of the duties listed in the CC&R's and Articles of Incorporation except for such duties and services that may not be delegated to a managing agent. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors of the Association other than the power to (i) adopt a budget and any amendments thereto or to levy dues or assessments, (ii) adopt, repeal or amend the CC&R's, Articles of Incorporation, Bylaws or Rules and Regulations, (iii) designate signatories on accounts at financial institutions, or (iv) acquire real property.
- (g) Employ, hire and dismiss such other employees or contractors as they deem necessary and appropriate and prescribe their duties and their compensation.

(h) Supervise all officers, agents and employees of the Association and see that their duties are properly performed.

(i) Levy, collect and enforce the payment of dues and assessments in accordance with the provisions of the CC&R's and these Bylaws, provided that the regular dues may not be increased by more than twenty percent (20%) over the prior year's amount and no special assessment may be levied without approval by a majority of the Members.

(j) Suspend the voting rights of a Member during any period in which such Member is in default in payment of any dues or assessment for a period of more than sixty (60) days.

(k) Issue, or cause an appropriate officer to issue upon request to any person, a certificate setting forth whether or not any dues or assessment has been paid. A certificate shall be conclusive evidence of such payment. A reasonable charge may be made by the Association for the issuance of such a certificate.

(l) Prepare and adopt an annual budget for the Association prior to the commencement of each calendar year.

(m) Open accounts at banks and other financial institutions on behalf of the Association and designate the signatories thereon.

(n) Procure and maintain adequate property, liability and other insurance for the Association.

(o) Cause all officers, employees and agents having fiscal responsibility to be bonded, as it may deem appropriate.

(p) Cause to be kept a complete record of all its acts and the affairs of the Association.

(q) Exercise for the Association all powers, duties and authority vested in the Association and not reserved to the Members by law, the CC&R's, the Articles of Incorporation or these Bylaws.

Section 3.2. Number and Qualification. The Board of Directors shall always consist of three (3) but not more than seven (7) directors and shall always be an odd number. Subject to the foregoing limitations, the actual number of directors may be set from time to time by the Members, provided that no decrease shall have the effect of shortening the term of an incumbent director. Each director shall, at the time of his or her election, be a Member of the Association.

Section 3.3. Term of Office. The initial Board of Directors as set forth in the Articles of Incorporation shall hold office until the first annual meeting of the Members and until their successors are elected and qualified. Commencing with the first annual meeting of the Members, each director shall be elected for a term of one (1) year and shall hold office for the term to which elected and until his or her successor is elected and qualified or until his or her earlier death, resignation or removal.

Section 3.4. Nomination and Election. Prior to each annual meeting of the Members, the Board of Directors shall nominate at least one Member for each position on the Board of Directors to serve for the ensuing year. The Board of Directors shall not be required to solicit nominations from among the membership and upon the request of any Member, his/her name shall be placed upon the ballot. The Board of Directors may appoint a Nominating Committee for the purpose of identifying candidates for election to the Board of Directors. The nominees for election shall be listed in the notice for the annual meeting and upon the absentee ballot. If permitted by applicable law, additional nomination may be accepted from the floor at the annual meeting. The Members shall elect the directors for the ensuing year at the annual meeting. The nominees receiving the highest number of votes for each directorship shall be elected to the Board of Directors. (As amended February 24, 2019)

Section 3.5 Resignation. Any director of the Association may resign at any time by giving written notice thereof to the Board of Directors or the President. Such resignation shall take effect when the notice is delivered unless the notice specifies a later effective date or event, and, unless otherwise specified with respect thereto, the acceptance of such resignation shall not be necessary to make it effective. Additionally, a director shall resign, or shall be deemed to have resigned, upon ceasing to be a Member of the Association, whether or not a written notice is received by the Board of Directors.

Section 3.6. Removal. A director may be removed from office with or without cause at any time as provided in this Section 3.6. If Members holding at least one-fourth (1/4) of the total votes in the Association sign and submit a petition to the Board of Directors calling for the removal of one or more directors, the Board of Directors shall provide written notice of a special meeting of the Members for the purpose of voting on such removal. The special meeting of Members shall be held within thirty (30) days of the receipt of the petition. For purposes of the special meeting, a quorum shall be present if Members holding at least one-fifth (1/5) of the total votes in the Association are present in person or by absentee ballot. The director or directors shall be deemed removed if a majority of the votes cast at the special meeting are in favor of such action. Any vacancy created by removal of a director shall be filled as provided in these Bylaws. The Board of Directors shall retain all documents and other records relating to the proposed removal of a director for at least one year after the date of the special meeting and shall permit Members to inspect those documents and records as otherwise provided for such inspection in these Bylaws. In addition to the foregoing, a director may be removed from the Board of Directors by the other directors if such director has been absent without proper excuse from three consecutive regular meetings of the Board of Directors.

Section 3.7. Vacancies. Any vacancy occurring in the Board of Directors by reason of death, resignation, or removal or any directorship to be filled by reason of an increase in the number of directors may be filled, at the determination of the Board of Directors, (i) by a vote of the Members at a special meeting called for that purpose or by action of the Members without a meeting as provided in these Bylaws, or (ii) by the affirmative vote of the majority of the remaining directors, although less than a quorum, or by a sole remaining director, at a regular or special meeting of the Board of Directors. A director elected to fill a vacancy shall hold office until the election of directors at the next annual meeting. A vacancy that will occur at a specific later date by reason of a resignation effective at a later date may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

Section 3.8. Meetings. Meetings of the Board of Directors, annual, regular or special, shall be held at such time, on such date, and in such place as the President or a majority of the Board of Directors shall designate, and may be held by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, their participation in such meeting to constitute presence in person. All meetings of the Board of Directors shall be held in the State of Arizona. All meetings of the Board of Directors shall be open to all Members of the Association or any person designated in writing by a Member as the Member's representative and all Members or designated representatives so desiring shall be permitted to attend and speak at an appropriate time during the deliberations and proceedings. The Board of Directors may place reasonable time restrictions on those persons speaking during the meeting, but shall permit a Member or Member's designated representative to speak before the Board of Directors takes formal action on an item under discussion in addition to any other opportunities to speak. Any portion of a meeting may be

closed and Members and Member's designated representatives excused only if that closed portion of the meeting is limited to consideration of one or more of the following:

- (a) Legal advice from an attorney for the Board of Directors or the Association.
- (b) Pending or contemplated litigation.
- (c) Personal, health and financial information about an individual Member of the Association, an individual employee of the Association or an individual employee of a contractor for the Association.
- (d) Matters relating to the job performance of, compensation of, health records or of 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.

Section 3.9. Notice of Meetings; Waiver. Regular meetings of the Board of Directors may be held without notice to the directors of the date, time, place or purpose of the meeting. Special meetings of the Board of Directors shall be preceded by least two days' notice of the date, time and place of the meeting. Such notice may be communicated by any reasonable means and need not describe the purpose of the special meeting. Except in the case of emergency circumstances requiring action before notice can be given, at least forty-eight (48) hours prior to each meeting of the Board of Directors, notice of the date, time and place of the meeting shall be given to the Members by newsletter, conspicuous posting or any other reasonable means as determined by the Board of Directors. The President or two-fifth (2/5) of the directors then in office may call and give notice of a meeting of the Board of Directors. Attendance of a director at a meeting of the Board of Directors shall constitute a waiver of notice of such meeting unless the director attends the meeting for the express purpose of objecting to the transaction of business because the meeting was not lawfully called or convened.

Section 3.10. Quorum. A majority of the Board of Directors present in person or by proxy shall constitute a quorum for the transaction of business.

Section 3.11. Voting; Proxy. Each director shall have one (1) vote on each matter considered by the Board of Directors. Unless otherwise provided by these Bylaws, a matter considered by the Board of Directors shall be deemed approved if a quorum is present and a majority of those directors present in person or by proxy vote in favor of the matter. A director who is present at a meeting of the Board of Directors at which action on any Association matter is taken shall be presumed to have assented to the action unless (i) he or she objects at the start of the meeting to the holding of the meeting or the transaction of business, (ii) his or her dissent or abstention for the action taken is entered in the minutes of the meeting, or (iii) unless he or she delivers written notice of his or her dissent or abstention to the President before the adjournment of the meeting or to the Association before 5:00 p.m. of the next business day. In the event a director is not able to attend a meeting, such director may, but need not, vote by proxy. A director desiring to vote by proxy shall sign a proxy substantially in the form of the specimen proxy attached hereto as Exhibit "A." A vote by proxy does not relieve a director of his or her responsibilities and duties as a director with respect to any action taken by the Board of Directors at a meeting for which such director has signed a proxy.

Section 3.12. Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if all the directors entitle to vote consent thereto in writing specifically setting for the action taken. The consent may be signed in counterparts and by use of electronic signatures. The consent shall become effective when the last director has signed unless the consent specifies a different effective date.

Such consent shall have the same effect as a unanimous vote and shall be included in the minutes filed with the Association records.

Section 3.13. Compensation and Expenses. Directors shall serve as such without compensation. Reasonable expenses incurred in the performance of their official duties may be reimbursed to directors upon approval of the Board of Directors. A director shall not be precluded from serving the Association in any other capacity or from receiving reasonable compensation for such services.

Section 3.14 Standard of Conduct. A director shall discharge his or her duties as a member of the Board of Directors, including but not limited to the duties of such director as a member of a committee, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the director reasonably believes to be in the best interest of the Corporation. In discharging his or her duties, a director is entitled to rely on information, opinions, reports, or statements, including financial statements and other data, if prepared or presented by any of the following: (i) one or more officers or employees of the Association, or of the Managing Agent, whom the director reasonably believes are reliable and competent in the matters presented; (ii) legal counsel, public accountant, architect, engineer or other person as to matters the director reasonably believes are within the person's professional or expert competence, and (iii) a committee of or appointed by the Board of Directors of which the director is not a member if the director reasonably believes the committee merits confidence. A director is not acting in good faith if the director has knowledge that makes reliance on any of the above unwarranted. The creation or delegation of authority to, or action by a committee of the Board of Directors does not alone constitute compliance with the director's standard of conduct.

ARTICLE IV

Committees

Section 4.1 Executive Committee. The Board of Directors, by resolution adopted by a majority of all the directors, may designate an Executive Committee consisting of one or more directors. One of the members of the Executive Committee shall be designated as Chair of the Executive Committee. To the extent provided in such resolution, the Executive Committee shall have and may exercise all the authority of the Board of Directors; provided, however, that the Executive Committee shall not have the authority of the Board of Directors in reference to any of the matters described in Section 4.6 below. The Executive Committee may not obligate the financial resources of the Association without prior approval of the Board of Directors.

Section 4.2 Architectural Committee. The Board of Directors, by resolution adopted by a majority of all the directors, may appoint an Architectural Committee consisting of not less than three (3) Members of the Association including at least one director, provided that the number of members of the committee shall always be an odd number. No member of the Architectural Committee shall be required to be an architect or to meet any qualifications other than being a Member of the Association. The term of office for members of the Architectural Committee shall be one (1) year with eligibility for reappointment, provided that no member may serve more than three (3) consecutive terms. A member appointed to fill a vacancy resulting from resignation, removal, death or termination as a Member of the Association shall serve the remainder of the unexpired term. The Architectural Committee shall consider and recommend to the Board of Directors such rules as it deems appropriate for maintaining the consistent and

quality appearance of Patio Home Units; consider and recommend approval or disapproval of any and all proposals and plans submitted to it by Members for requested changes to the exterior appearance of any Patio Home Unit; and perform such other duties assigned to it by the Board of Directors. The Architectural Committee shall meet from time to time as necessary to perform its duties and shall maintain a written record of its actions. Any action by the Architectural Committee with respect to rules or changes in a Patio Home Unit shall become effective only after approval by the Board of Directors. In the event of a disagreement between the Architectural Committee and the Board of Directors, a majority vote of the Board of Directors shall control. If no Architectural Committee is appointed by the Board of Directors, the Board of Directors shall perform the duties that would have been assigned to the committee.

Section 4.3 Other Committees. The Board of Directors, by resolution adopted by a majority of all the directors, may appoint such other committee or committees as it shall deem advisable and with such rights, powers, and authority as it shall prescribe except as otherwise provided by law. Each such committee shall consist of one or more directors or Members, who shall be approved by a majority of the directors in office when the action is taken. The Board of Directors may designate one or more alternate members of any committee who may replace any absent member at any meeting of the committee.

Section 4.4 Committee Changes. The Board of Directors, with or without cause, may dissolve any committee or remove any member of a committee at any time. The Board of Directors shall also have the power to fill vacancies in any committee.

Section 4.5 Meetings and Actions. All the provisions of these Bylaws governing meetings and notice, waiver, quorum and voting requirements of the Board of Directors, including without limitation Sections 3.8 through 3.12, shall apply to committees and their members.

Section 4.6 Limitations on Committee Authority. Unless a committee is composed entirely of directors, it may not be delegated nor exercise the authority of the Board of Directors. Each committee composed entirely of directors may exercise the authority of the Board of Directors to the extent specified by the Board of Directors, provided that a committee shall not take any of the following actions: (i) authorize distributions to Members; (ii) approve or recommend to Members any action that requires the Members' approval or consent; (iii) fill vacancies on the Board of Directors or in any committee of the Board of Directors; (iv) amend or repeal the Association's Bylaws or adopt new Bylaws; (v) fix the compensation of directors for serving on the Board of Directors or on any committee of the Board of Directors; and (vi) liquidate or dissolve the Association, or transfer, dispose of, or encumber the properties or assets of the Association.

ARTICLE V Officers and Agents

Section 5.1 Number and Qualification. The officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer, and such other officers, assistant offices and agents as may be deemed necessary by the Board of Directors. The President and the Vice President shall be members of the Board of Directors. The Secretary and the Treasurer may, but need not be, members of the Board of Directors, but they shall be Members of the Association. Any two offices may be held simultaneously by the same person except that the President may not hold any other office.

Section 5.2 Election and Term of Office. The officers of the Association shall be elected annually by a vote of the majority of the full Board of Directors at the annual meeting of the Board of Directors following the annual meeting of the Members. The term of office shall be one (1) year or until the officer's successor shall have been duly elected and shall have qualified, or until his or her earlier death, resignation, or removal. Any officer may be elected to successive terms of office subject only to the requirement that the President and the Vice President must be members of the Board of Directors.

Section 5.3 Resignation. An officer may resign at any time by delivering notice to the Association and, unless specified in the notice, acceptance of the resignation shall not be necessary to make it effective. A resignation is effective when the notice is delivered unless the notice specifies a later effective date or event. If an officer ceases to be a Member of the Association, he or she shall be deemed to have resigned as an officer at the time membership in the Association terminates, whether or not notice of resignation is delivered to the Association. If a resignation is made effective at a later date or event and the Association accepts the later effective date, the Board of Directors may elect a successor to fill the pending vacancy before the effective date if the Board of Directors provides that the successor does not take office until the effective date.

Section 5.4 Removal. Any officer or agent may be removed, with or without cause, by a vote of a majority of the full Board of Directors whenever in its judgment the best interest of the Association will be served thereby, but such removal shall be without prejudice to

any contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 5.5 Vacancies. A vacancy in any office because of the death, resignation, removal, creation of a new office, or any other reason, may be filled by a vote of a majority of the full Board of Directors for the unexpired portion of the term.

Section 5.6 President. The President shall be the chief executive officer of the Association and, subject to the direction of the Board of Directors, shall have general charge of the business, affairs, and property of the Association and general supervision over its other officers and agents. The President shall chair all meetings of the Board of Directors and the Members and shall perform all duties incident to the office of President and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 5.7 Vice President. The Vice President shall act in the place and stead of the President in the event of his or her absence, death, or inability or refusal to act. When so acting, the Vice President shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall exercise and perform such other duties as may be required of him or her by the Board of Directors.

Section 5.8 Secretary. The Secretary shall (i) keep the minutes of all meeting and proceedings of the Board of Directors, (ii) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, (iii) have charge of all the corporate books and records except for such financial books and records as are the responsibility of the Treasurer, (iv) have charge of the seal of the Association, if any, and see that such seal is affixed to all documents requiring the same, and (v) in general perform all the duties as, from time to time, may be assigned to him or her by the President or the Board of Directors.

Section 5.9 Treasurer. The Treasurer shall (i) have charge and custody or and be responsible for all funds and securities of the Association, and all financial books, records and accounts of the Association, (ii) receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies or other depositories as shall be selected by the Board of Directors, and (iii) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or the Board of Directors. If required by the Board of Directors, the Treasurer will give a bond for the faithful performance of his or her duties in such form and with such surety or sureties as the Board of Directors may determine.

Section 5.10 Managing Agent. The Board of Directors may employ for the Association a company or individual as Managing Agent for compensation established from time to time by the Board of Directors. The Managing Agent shall perform such duties and services as the Board of Directors shall authorize and delegate, including, but not limited to, any or all of the duties of the Board of Directors and the officers of the Association provided in the Articles of Incorporation, the CC&R's and these Bylaws, except for such duties and services that may not be delegated to a managing agent. Notwithstanding any other applicable provisions, the Board of Directors and officers may not delegate to the Managing Agent the authority or power to (i) adopt a budget or any amendment thereto, (ii) determine Member dues or levy Member assessments, (iii) adopt, repeal or amend Association Rules and Regulations, (iv) designate signatories on Association bank or investment accounts, (v) borrow money on behalf of the Association, (vi)

transfer, acquire or dispose of real property in the name of the Association, or (vii) undertake any of the actions that the Executive Committee is prohibited from performing pursuant to Section 4.1 of these Bylaws.

Section 5.11 Other Officers and Agents. Other officers, assistant officers, or agents elected or appointed by the Board of Directors shall perform such duties as shall be assigned to them by the President or the Board of Directors.

Section 5.12 Compensation and Expenses. Officers and agents, other than the Managing Agent, shall serve as such without compensation. Reasonable expenses incurred in connection with the performance of their official duties may be reimbursed to officers and agents upon approval by the Board of Directors. An officer shall not be precluded from serving the Association in any other capacity nor from receiving reasonable compensation for services rendered in such other capacity.

Section 5.13 Standard of Conduct. If an officer or agent has discretionary authority with respect to any duties, the officer or agent shall discharge such duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the officer or agent reasonably believes to be in the best interests of the Association. In discharging his or her duties, an officer or agent is entitled to rely on information, opinion, reports, or statements, including financial statements and other data, if prepared or presented by either of the following: (i) one or more other officers or agents of the Association whom the officer or agent reasonably believes are reliable and competent in the matters presented; and (ii) legal counsel, public accountants, or other persons as to matters the officer or agent reasonably believes are within the person's professional or expert competence. An officer or agent is not acting in good faith if the officer or agent has knowledge that makes reliance on any of the above unwarranted.

ARTICLE VI

Contracts, Loans, Checks, Deposits

Section 6.1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances. In the event the Board of Directors authorizes a contract or transaction and does not designate the person or persons authorized to execute documents on behalf of the Association, the President or Vice President, or either of them, shall be deemed to have such authority.

Section 6.2 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 resolution of the Board of Directors and approved by the Members as provided in these Bylaws. Such authority may be general or confined to specific instances.

Section 6.3 Checks and Other Instruments. 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 signed by such officer or officers, agent or agents, of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. Any check or other instrument in excess of \$10,000 shall require two signatures.

Section 6.4 Deposits. All funds of the Association not otherwise employed shall be deposited to the credit of the Association in such banks or other financial institutions as the Board of Directors may determine. Such deposits shall be maintained in accounts insured by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation and, except for limited periods shall be maintained at or below the maximum insured level for such accounts.

ARTICLE VII
Maintenance of and Access to Records

Section 7.1 Permanent Records. The Association shall keep as permanent records, the originals or copies of:

- (a) Its Articles of Incorporation or Restated Articles of Incorporation and all amendments currently in effect;
- (b) Its Bylaws or Restated Bylaws and all amendments to them currently in effect;
- (c) Its CC&R's and all amendments to them currently in effect;
- (d) The minutes of all meetings of the Members and the Board of Directors, a record of all actions taken by the Members or the Board of Directors without a meeting and all taken by a committee of the Board of Directors on behalf of the Association;
- (e) Copies of annual reports submitted to the Arizona Corporation Commission.

Section 7.2 Financial Records. The Association shall maintain appropriate accounting records on a cash basis. The Association may, but is not required, to obtain an audit of the financial statements at the end of each fiscal year. If the Association does not obtain an audit, the Board of Directors shall provide for a review or compilation of the Association's financial statements to be completed within one hundred eighty (180) days of the end of each fiscal year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year.

Section 7.3 Member Records. The Association or its Managing Agent shall maintain a record of the Members in a form that permits preparation of a list of the names and addresses of all Members in alphabetical order. Without the consent of the Board of Directors, no person may use a membership list or any part of the membership list for any purpose unrelated to a Member's interest as a Member. Without the consent of the Board of Directors, the membership list or any part of the membership list shall not be used to solicit money or property or for any commercial purpose or sold to or purchased by any person.

Section 7.4 Current Records. The Association shall keep a copy of the following records at its principal office:

- (a) The records listed in subparagraphs (a) through (c) of Section 7.1;
 - (b) The minutes of all Member's meetings and records of actions taken by Members without a meeting during the most recent three (3) years;
 - (c) Resolutions adopted by the Board of Directors relating to the rights, limitations and obligations of Members;
 - (d) All written communications to members generally during the most recent three (3) years;
 - (e) Financial statements for the most recent three (3) years;
 - (f) A list of names and addresses of current directors and officers of the Association;
- and
- (g) The most recent annual report filed with the Arizona Corporation Commission.

Section 7.5 Member Access to Records. Members shall have the right to receive or inspect, either directly or through any person designated as the Member's representative, records of the Association, subject to the limitation set forth in Section 7.6 below,

under the following circumstances:

(a) Upon written demand from a Member, the Association shall furnish that Member the Association's latest annual financial statements containing a balance sheet and a statement of operations and, if they are reported on by a certified public accountant, that report shall accompany the financial statements.

(b) Any Member is entitled to inspect and copy any of the records listed in Section 7.4 during regular business hours at the Association's principal office, if the Member gives the Association written notice of the demand at least five (5) business days before the date of the proposed inspection.

(c) Any Member is entitled to inspect and copy any of the records listed in Sections 7.1(d), 7.2, and 7.3 and the Association's most recent financial statements during regular business at a reasonable location specified by the Association, if the Member gives the Association written notice of the demand at least five (5) days before the proposed inspection, provided, that the foregoing right of inspection is effective only if: (i) the Member's demand is made in good faith and for a proper purpose; (ii) the Member describes with reasonable particularity the Member's purpose and the records the Member desires to inspect; (iii) and the records are directly connected with the Member's purpose.

Section 7.6 Limitations on Inspection Rights. The following books and records may be withheld from disclosure to the extent that the portion withheld relates to any of the following:

- (a) Privileged communication between an attorney for the Association and the Association;
- (b) Pending or contemplated litigation;
- (c) Minutes of meetings not required by law to be open to all Members;
- (d) Personal, health and financial records of an individual Member of the Association, an individual employee of the Association or an individual employee of a contractor for the Association;
- (e) Records relating to the job performance of, compensation of, 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; or
- (f) Records the disclosure of which would violate any state or federal law

The Association may impose a reasonable charge covering the costs of labor and materials for copies of any documents provided to the Member. .

ARTICLE VIII

Affiliated Transactions and Interested Persons

Section 8.1. Affiliated Transactions. A contract or other transaction between the Association and an Interested Person (as hereinafter defined), including the sale, lease or exchange of property to or from an Interested Person, the lending or borrowing of monies to or from an Interested Person by the Association, or the payment of compensation by the Association for services provided by an Interested Person, shall be void and unenforceable because of the relationship or interest between the Association and the Interested Person unless:

(a) The fact of such relationship or interest is disclosed as a conflict of interest by the Interested Person in an open meeting of the Board or Directors or committee thereof which thereafter authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of any Interested Persons. An Interested Person may be present during the discussion of the contract or transaction; and

(b) The contract or transaction is fair and reasonable to the Association at the time the contract or transaction is authorized, approved or ratified in the light of circumstances known to those entitled to vote thereon.

Any person seeking to establish that a contract or transaction described herein is void for any reason set forth herein shall first prove, by a preponderance of the evidence, that the provisions of subparagraphs (a) and (b) of this Section 8.1 were not complied with.

Section 8.2. Interested Persons. As used in this Article VIII, the term "Interested Person" means any director or officer of the Association if, as a result of the contract or transaction, a pecuniary benefit would accrue:

- (a) to the director or officer; or
- (b) to a parent, grandparent, spouse, child, grandchild or sibling of the director or officer, or to a parent or sibling of the spouse of the director or officer, or to a parent, sibling or spouse of a parent, grandparent, child, grandchild or sibling of the director or officer;
- (c) to any corporation, firm, association or other entity in which the director or officer or any of the persons listed in (b) above is an officer, director, employee or member or is financially interested; or
- (d) to a trust or estate of which the director or officer or any person listed in (b) above is a fiduciary or beneficiary.

Section 8.3 Determining a Quorum. Directors who are Interested Persons may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee thereof which authorizes, approves or ratifies the contract or transaction in connection with which the conflict of interest is disclosed.

Section 8.4 Loans to Directors and Officers. Notwithstanding anything herein to the contrary, the Association shall not lend money to or use its credit to assist its directors or officers, whether or not employees of the Association. Any director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment of the loan.

ARTICLE IX Indemnification

Section 9.1 Authority to Indemnify. To the maximum extent required or permitted under the Arizona Nonprofit Corporations Act and subject to the further provisions of this Article IX, the Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of that fact that he or she was or is a director, officer, employee or agent of the Association or is or was serving at the request of the Association as a member, director, officer, employee or agent of another corporation, partnership, joint venture, trust, limited liability company or other enterprise, against expenses, including attorney fees, and against judgments, fines and amount paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding.

Section 9.2 Conditions to Indemnification. Unless otherwise ordered by a court of competent jurisdiction, no person to whom indemnification may otherwise be due pursuant to the provisions of this Article IX shall receive indemnification unless the conduct of

such person giving rise to the claim for liability against such person was undertaken in good faith and the person believed that the conduct (i) was in the best interest of the Association (in the case of conduct in an official capacity) or (ii) was not opposed to the best interests of the Association (in all other cases), and the person had no reasonable cause to believe the conduct was unlawful.

Section 9.3 Limitations on Indemnification. No person may be indemnified by the Association in connection with any action, suit or proceeding brought by or in the right of the Association in which the person was adjudged liable to the Association. Nor may a director or officer be indemnified by the Association in connection with any action, suit or proceeding in which the person was adjudged to have (i) received a financial benefit to which such person was not entitled, (ii) intentionally inflicted harm on the Association, (iii) made or approved an unlawful distribution under the Arizona Nonprofit Corporation Act, or (iv) engaged in an intentional violation of criminal law.

Section 9.4 Implementation of Indemnification. Implementation of the indemnification provided in this Article IX shall be in accordance with the procedures set forth in the Arizona Nonprofit Corporation Act with the intent that indemnification shall be provided to the maximum extent permitted and at the earliest time permitted. .

ARTICLE X

Amendment of Bylaws

Section 10.1 Amendment. These Bylaws may be amended, at an annual or special meeting of the Members, by a vote of the Members having more than fifty percent (50%) of the votes entitled to be cast by the Members present in person or by absentee ballot.

CERTIFICATE

I hereby certify that the foregoing Amendment and Restated Bylaws were duly adopted by a vote of the Members of the Association on February 25, 2007, in accordance with the provisions of Section 1.7 of the prior Bylaws as now embodied in Section 10.1 above.

/s/ I Douglas Dunipace
I. Douglas Dunipace, Secretary

I hereby further certify that Section 3.4 of the foregoing Amended and Restated Bylaws was duly amended by a vote of the Members of the Association on February 24, 2019, in accordance Section 10.1 above.

/s/ I Douglas Dunipace
I. Douglas Dunipace, Secretary

I hereby further certify that Sections 3.2 and 3.3 of the foregoing Amended and Restated Bylaws was duly amended by a vote of the Members of the Association on November 3, 2019, in accordance Section 10.1 above and there have been no other amendments.

/s/ I Douglas Dunipace
I. Douglas Dunipace, Secretary

EXHIBIT "A"
REVOCABLE PROXY

[FULL VOTING RIGHTS]

_____ ("Director"), a member of the Board of Directors of Estates at Dreamy Draw Homeowners' Association, an Arizona nonprofit corporation (the "Corporation"), hereby appoints _____ ("Designee"), the attorney and proxy of Director, with full power of substitution, to vote for Director in his or her name, place and stead in such manner as Designee or his or her designee or substitute, shall in his or her sole discretion deem appropriate, at the [annual] [regular] [special] meeting of the Board Directors of the Corporation to be held on _____, 20____, or at any adjournment thereof (the "Meeting").

[ALTERNATIVE PROVISION – LIMITED VOTING RIGHTS]

_____ ("Director"), a member of the Board of Directors of Estates at Dreamy Draw Homeowners' Association, an Arizona nonprofit corporation (the "Corporation"), hereby appoints _____ ("Designee"), the attorney and proxy of Director, with full power of substitution, to vote for Director in his or her name, place and stead in the manner indicated below, at the [annual][regular][special] meeting of the Board of Directors of the Corporation to be held on _____, 20____, or any adjournments thereof (the "Meeting"). If no indication is made below, the Designee or his or her designee or substitute shall vote in such manner as Designee or his or her designee or substitute shall in his or her sole discretion deem appropriate.

1. Voting Matter: _____
For _____ Against _____ Abstain _____

2. Voting Matter: _____
For _____ Against _____ Abstain _____

3. Voting Matter: _____
For _____ Against _____ Abstain _____

This proxy shall be revocable to the full extent permitted by law. This proxy shall remain in full force and effect until the earlier of (i) the final adjournment of the Meeting, or (ii) its revocation by the Director.

Dated this ____ day of _____, 20____.

NAME OF DIRECTOR

IMPORTANT NOTE TO DIRECTOR: THIS PROXY IS NO WAY DISCHARGES OR DIMINISHES THE GENERAL STANDARDS OF CONDUCT AND OTHER DUTIES OF DIRECTOR UNDER ARIZONA REVISED STATUTES §10-3830 OR OTHERWISE.