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BYLAWS  
OF  
FOOTHILLS CLUB WEST COMMUNITY ASSOCIATION

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1 BYLAWS  
2 OF  
3 Foothills Club West Community Association

4 ARTICLE 1

5 DEFINITIONS

6 Except as otherwise expressly provided herein, all  
7 capitalized terms shall have the meanings assigned to them in  
8 that certain Declaration of Covenants, Conditions and  
Restrictions for Foothills Club West recorded on July 21, 1989,  
at Recorder's No. 89-337438 in the office of the Maricopa  
County, Arizona Recorder.

9 ARTICLE 2

10 OFFICES AND CORPORATE SEAL

11 2.1 Principal Office. The Association shall maintain  
12 its principal office and known place of business at 4820 South  
13 Mill Avenue, Tempe, Arizona 85282, or at such other address as  
14 may be designated by the Board.

15 2.2 Other Offices. The Association may also maintain  
16 offices and places for conducting business at such other place  
17 or places, both within and without the State of Arizona, as may  
18 be designated from time to time by the Board, and the business  
19 of the Association may be transacted at such other offices with  
20 the same effect as that conducted at the principal office.

21 2.3 Corporate Seal. A corporate seal shall not be  
22 requisite to the validity of any instrument executed by or on  
23 behalf of the Association, but nevertheless if in any instance  
24 a corporate seal be used, the same shall be a circle having on  
25 the circumference thereof the name of the Association and in  
26 the center the words "corporate seal," the year incorporated,  
and the state where incorporated.

21 ARTICLE 3

22 MEMBERS

23 3.1 Membership. The Members of the Association shall  
24 be determined in the manner set forth in the Declaration.

25 3.2 Place of Members Meetings. The annual meetings  
26 of Members shall be held at 4820 South Mill Avenue, Tempe,  
Arizona, 85282, or at such other place as may be fixed from  
time to time by the Board, or in the absence of direction by

1 the Board, by the president or secretary of the Association  
and shall be stated in the notice of the meeting or in a duly  
executed waiver of notice thereof.

2  
3 3.3 Annual Members Meetings. The annual meeting of  
the Members shall be held on the first Wednesday of March in  
each year, commencing with Wednesday, March 7, 1990 (or if that  
4 day shall be a legal holiday, then on the next succeeding  
business day), or at such other date and time as shall be  
5 designated from time to time by the Board and stated in the  
notice of the meeting. At each annual meeting the Members  
6 shall elect the Board and transact such other business as may  
properly be brought before the meeting.

7  
8 3.4 Special Meetings of Members. Unless otherwise  
prescribed by Arizona statute or by the Articles, special  
meetings of the Members, for any purpose or purposes, may be  
9 called by: (a) the president; (b) a majority of the directors;  
or (c) Members having at least twenty-five percent (25%) of all  
10 Class A votes.

11 3.5 Notice of Members Meetings. Not less than ten  
(10) nor more than fifty (50) days before the date of any  
12 annual or special meeting of the the Members, either the  
secretary or any other officer of the Association shall cause  
13 written notice stating the place, date and time of the meeting  
(and, in the case of a special meeting, the items on the  
14 agenda, including, but not limited to, the general nature of  
any proposed amendment to the Declaration, Articles or Bylaws,  
15 any budget changes and any proposal to remove a director or  
officer) to be hand-delivered or sent prepaid by United States  
16 mail to the last known mailing address of each Member, as shown  
in the Association records (or, in the case of a Member who is  
17 the Owner of a Lot, to the mailing address of such Lot). If  
mailed, such notice shall be deemed to be delivered when  
18 mailed. Business transacted at any special meeting of Members  
shall be limited to the items stated in the notice unless  
19 determined otherwise by a unanimous vote of the Members present  
at such meeting.

20 3.6 Quorum. Unless otherwise required by the  
21 Declaration, the Articles or applicable law, a quorum shall be  
deemed present for all purposes throughout any meeting of  
22 Members if Members entitled to cast at least ten percent (10%)  
of all outstanding votes are present in person or by valid  
23 proxy at the beginning of the meeting. Further, except as  
otherwise provided in Section 13.1 of these Bylaws and except  
24 as may otherwise be provided by the Declaration, the Articles  
or applicable law, the action by Members holding a majority of  
25 votes represented at a meeting at which a quorum is present  
shall constitute the act of the full membership of the

1 Association. Whether or not a quorum is present, a meeting may  
2 be adjourned from time to time by the vote of Members holding a  
3 majority of the votes represented at such meeting, whether in  
4 person or by valid proxy, without notice other than by  
5 announcement at the meeting of the time and place at which the  
6 adjourned meeting will be reconvened and without further notice  
7 to any absent Members, provided, however, that if the adjourn-  
ment is for more than thirty (30) days, notice of the time and  
place at which the adjourned meeting will be reconvened shall  
be given to each Member in the manner provided in Section 3.5  
above. If a quorum is present at the time and place the  
adjourned meeting is reconvened, any business may be transacted  
at the reconvened meeting which might have been transacted at  
the meeting as originally noticed.

8           3.7 Voting. The Members shall be entitled to the  
9 voting rights set forth in the Declaration. At every meeting  
10 of Members each Member in good standing shall be entitled to  
11 vote either: (a) in person; or (b) by a proxy duly appointed by  
12 a written instrument signed by the Member, dated not more than  
13 eleven (11) months prior to such meeting (unless such  
14 instrument provides for a longer period not to exceed 25 months  
15 from the date of its execution and states that it is coupled  
16 with an interest and is irrevocable). The vote for directors  
and upon any question before the meeting shall be by voice  
vote, except that, upon demand of any ten (10) or more Members,  
a vote shall be taken by ballot. Except as otherwise provided  
herein or by applicable Arizona law, the Declaration or the  
Articles, all elections and other matters to be determined by  
the Members shall be decided by Members (whether present in  
person or by proxy) holding a majority of votes represented at  
a meeting at which a quorum is present, and cumulative voting  
shall not be permitted.

17           3.8 Freezing of List of Members or Fixing of Record  
18 Date. For the purpose of determining Members entitled to  
19 notice of or to vote at a meeting of Members, or in order to  
20 make a determination of Members for any other proper purpose,  
the Board may provide that the list of Members shall be frozen  
for a stated period not to exceed ten (10) days. If the list  
of Members shall be frozen for the purpose of determining  
21 Members entitled to notice of or to vote at a meeting of  
22 Members, such list shall be frozen for not more than ten (10)  
23 days immediately preceding such meeting. In lieu of freezing  
the list of Members, the Board may fix in advance a date as the  
24 record date for any such determination of Members, such date in  
any case to be not more than ten (10) days prior to the date of  
the particular meeting of Members or the date on which the  
25 particular action requiring such determination of Members is  
be taken, as applicable. If the list of Members is not frozen  
and no record date is fixed for the determination of Members

1 entitled to notice of or to vote at a meeting of Members, the  
2 record date for such determination of Members shall be four  
3 o'clock in the afternoon on the day before the day on which  
4 notice of the meeting is mailed. When a determination of  
5 Members entitled to vote at any meeting of Members has been  
6 made as provided in this Section, such determination shall  
7 apply to any continuation of such meeting following an  
8 adjournment.

5           3.9 Action Without Meeting. Any action required or  
6 permitted to be taken at any annual or special meeting of  
7 Members may be taken without a meeting, without prior notice,  
8 and without a vote, if a consent in writing, setting forth the  
9 action so taken, shall be signed by all Members.

8           3.10 Waiver of Notice. Whenever any notice is  
9 required to be given to any Member under the provisions of the  
10 Articles, the Bylaws, the Declaration, applicable Arizona law,  
11 or otherwise, a waiver thereof in writing signed by the person  
12 or persons entitled to such notices, whether before or after  
13 the time stated therein, shall be equivalent to the giving of  
14 such notice. Attendance of a person at a meeting shall  
15 constitute a waiver of notice of such meeting, except when the  
16 person attends a meeting for the express purpose of objecting  
17 to the transaction of any business because the meeting is not  
18 properly called or convened.

14           3.11 Assessments. As more particularly provided in  
15 the Declaration, the Association has the right, power and  
16 authority to establish and levy Assessments against the Lots  
17 and Parcels and the Owners thereof, and to enforce the payment  
18 of such Assessments.

17           3.12 Suspension. As more particularly provided in  
18 the Declaration, the Board may impose sanctions for violations  
19 of the Declaration and of the rules and regulations of the  
20 Association, which sanctions may include suspension of the  
21 right to vote, suspension of the right to use recreational  
22 facilities on or constituting part of the Common Area, if any,  
23 and, in certain instances, imposition of reasonable monetary  
24 fines. The duration of any suspension of a Member's right to  
25 vote or to use recreational facilities shall be limited as  
26 provided in the Declaration.

#### ARTICLE 4

#### DIRECTORS

24           4.1 Election. The business and affairs of the  
25 Association shall be managed, conducted and controlled by the  
26 Board. Except for the initial directors appointed in the

1 Articles (who shall serve until their successors are duly  
2 elected and qualified at the first regular annual meeting of  
3 Members), and except as provided in Section 4.3 below, each  
4 director shall be elected for the terms specified in Section  
5 7.8 of the Declaration, and shall be elected at the annual  
6 meeting of Members concurrent with the expiration of the term  
7 of the director he or she is to succeed, and, except as  
8 otherwise provided in these Bylaws or in the Articles or the  
9 Declaration, shall hold office until his or her successor is  
10 elected and qualified. Nothing herein shall be construed to  
11 prevent the election by the Members of any person or persons to  
12 two or more terms as director, whether or not such terms shall  
13 be consecutive. If, after election: (a) any director (except  
14 for a director designated by Declarant or by a corporate,  
15 partnership or other non-individual Owner) ceases to be a  
16 Member, he or she shall thereupon no longer be a director and  
17 his or her office shall become vacant; or (b) a corporate,  
18 partnership or other non-individual Owner ceases to be a  
19 Member, any director serving by virtue of having been  
20 designated by such corporate, partnership or other  
21 non-individual Owner shall thereupon no longer be a director  
22 and his or her office shall become vacant.

12 4.2 Number. The number of directors which shall  
13 constitute the whole Board shall be as provided in Section 7.8  
14 of the Declaration, provided that, at any time after the Class  
15 B membership ceases to exist (as provided in the Declaration),  
16 such number may be increased to a total not to exceed eleven  
17 (11) directors upon the affirmative vote of Members holding a  
18 majority of all Class A votes represented in person or by proxy  
19 at any annual meeting of Members or at a special meeting of  
20 Members called for such purpose.

17 4.3 Vacancies. Vacancies and newly created  
18 directorships resulting from any increase in the authorized  
19 number of directors may be filled by the affirmative vote of a  
20 majority of the remaining directors then in office, or by a  
21 sole remaining director, and the directors so chosen shall hold  
22 office, in the case of a vacancy, for the remaining term of  
23 their predecessors, and, in the case of an increase in the  
24 authorized number of directors, until the next annual meeting  
25 of Members. If there are no directors in office, any officer  
26 or Member may call a special meeting of Members for the purpose  
of electing the Board.

23 4.4 Annual Board Meetings. Within thirty (30) days  
24 after each annual meeting of Members, the newly elected  
25 directors shall meet forthwith for the purpose of organization,  
26 the election of officers, and the transaction of other business  
and, if a quorum of the directors is present, no prior notice  
of such meeting shall be required to be given, provided that



1 the place and time of such first meeting of newly-elected  
2 directors may be changed by written consent of all of the  
3 directors.

4 4.5 Special Board Meetings. Special meetings of the  
5 Board may be called by the president or secretary and must be  
6 called by either of them on the written request of any member  
7 of the Board.

8 4.6 Notice of Board Meetings. Notice of all meetings  
9 of the Board, except as otherwise provided herein, shall be  
10 given by mailing the same at least three (3) days, or by  
11 otherwise causing the same to be delivered at least one (1)  
12 day, before the meeting to the usual business or residence  
13 address of each of the directors, but such notice may be waived  
14 by any director. Regular meetings of the Board may be held  
15 without notice at such time and place as may be determined by  
16 the Board. Any business may be transacted at any meeting of  
17 the Board. Attendance of a person at a meeting shall  
18 constitute waiver of notice of such meeting, except when the  
19 person attends the meeting for the express purpose of objecting  
20 to the transaction of any business because the meeting is not  
21 properly called or convened.

22 4.7 Quorum. One-half (1/2) of the number of the  
23 directors then serving shall constitute a quorum at a meeting  
24 of the Board (except that if three (3) directors be then  
25 serving, a quorum shall be two (2), and if one (1) director be  
26 then serving, a quorum shall be one (1)). If at any meeting  
there is less than a quorum present, the directors present may  
adjourn the meeting from time to time without further notice to  
any absent director.

17 4.8 Action Without a Meeting. Unless otherwise  
18 restricted by the Declaration, the Articles or these Bylaws  
19 any action required or permitted to be taken at any meeting of  
20 the Board or of any committee thereof may be taken without  
21 meeting, if all members of the Board or committee, as the case  
22 may be, consent to the action in writing; such written consent  
23 shall be filed with the minutes of proceedings of the Board or  
24 committee.

25 4.9 Powers. Subject to the provisions of the  
26 Declaration, the Articles, these Bylaws and applicable law, the  
Board shall have power:

27 4.9.1 To elect and remove the officers of the  
28 Association;

29 4.9.2 To administer the affairs of the  
30 Association and the Common Area;

1 4.9.3 To engage the services of a manager or  
managing agent who shall manage and operate the Common Area for  
2 all of the Members upon such terms, for such compensation and  
with such authority as the Board may approve;

3 4.9.4 To formulate policies for the  
administration, management and operation of the Common Area;  
4

5 4.9.5 To provide for the operation, maintenance,  
repair and replacement of the Common Area and payments  
therefor, and to approve payment vouchers or to delegate such  
6 approval to the officers or the manager or managing agent;

7 4.9.6 To provide for the designation, hiring and  
removal of employees and other personnel, including accountants  
8 and attorneys, and to engage or contract for the services of  
others, and to make purchases for the maintenance, repair,  
9 replacement, administration, management and operation of the  
Common Area, and to delegate any such powers to the manager or  
10 managing agent (and any such employees or other personnel who  
may be the employees of a managing agent);

11 4.9.7 To appoint or dissolve committees of the  
12 Board, to remove any director from a committee at any time, and  
to delegate to such committees the Board's authority to carry  
13 out certain duties of the Board;

14 4.9.8 To estimate the amount of the annual  
budget, and to provide the manner of assessing and collecting  
15 from the Owners their respective shares of such estimated  
expenses;

16 4.9.9 To exercise all of the rights, powers and  
17 duties granted to it by the Declaration;

18 4.9.10 Unless otherwise provided herein or in the  
Declaration, the Articles or applicable law, to comply with the  
19 instructions of a majority of the Members as expressed in  
resolution duly adopted at any annual or special meeting of the  
20 Members; and

21 4.9.11 To exercise for the Association all other  
powers, duties and authority vested in or delegated to the  
22 Association.

23 4.10 Removal and Resignation of Directors. Any  
director or the entire Board may be removed, with or without  
24 cause, by Members holding a majority of all votes. Any  
director may resign upon written notice pursuant to Article 8  
25 of these Bylaws.

1 4.11 Place of Board Meetings. The Board shall hold  
2 meetings, both regular and special, in Maricopa County,  
3 Arizona, or at such other place or places, and such meetings  
4 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, and  
participation in a meeting pursuant to this Section 4.11 shall  
constitute presence in person at such meeting.

5 4.12 Waiver of Notice. Whenever any notice is  
6 required to be given to any director of the Association under  
7 the provisions of the Articles, these Bylaws, the Declaration,  
8 applicable Arizona law or otherwise, a waiver thereof in  
writing signed by the person or persons entitled to such  
notices, whether before or after the time stated therein, shall  
be equivalent to the giving of such notice.

9 4.13 Committees of the Board. The Board, by  
10 resolution adopted by a majority of the full Board, may  
11 designate from among its members an executive committee and one  
12 or more other committees each of which, to the extent provided  
13 in such resolution and permitted by law, shall have and may  
14 exercise all the authority of the Board. The Board, with or  
without cause, may dissolve any such committee or remove any  
member thereof at any time. The designation of any such  
committee and the delegation thereto of authority shall not  
operate to relieve the Board, or any member thereof, of any  
responsibility imposed by law.

15 4.14 Compensation. Directors shall receive no  
16 compensation for their services unless expressly provided for  
17 in a resolution duly adopted by Members holding, personally or  
by valid proxy, a majority of the votes then entitled to be  
cast at a meeting expressly called for that purpose.

## 18 ARTICLE 5

### 19 OFFICERS

20 5.1 Designation of Titles. The officers of the  
21 Association shall be a president, vice president, secretary and  
22 a treasurer, and shall be chosen by the Board; the Board may  
23 also choose a chairman of the Board. No person may hold, at  
any time, more than one of such offices, except that the  
offices of secretary and treasurer may be held by the same  
person. The officers need not be directors of the Association.

24 5.2 Election, Term of Office, Qualification. Except  
25 for the initial officers chosen by the Board at its first  
26 meeting following the incorporation of the Association (who  
shall serve until their successors shall have been duly chosen

1 and shall qualify), each of the officers of the Association  
2 shall be chosen annually by a majority of the Board, and shall  
3 hold office for one year or until his or her successor shall  
4 have been duly chosen and shall qualify, or until his or her  
5 death or until he or she shall resign or shall have been  
6 removed pursuant to these Bylaws or the Articles or the  
7 Declaration. No person shall be eligible for election as an  
8 officer who is not at the time of election a Member of the  
9 Association, except such persons as may be designated from time  
10 to time by Declarant or by a corporate partnership or other  
11 non-individual Owner. If, after election: (a) any officer  
12 (except for an officer designated by Declarant or by a  
13 corporate, partnership or other non-individual Owner) ceases to  
14 be a Member, he or she shall thereupon no longer be an officer  
15 and his or her office shall become vacant; or (b) a corporate,  
16 partnership or other non-individual Owner ceases to be a  
17 Member, any officer serving by virtue of having been designated  
18 by such corporate, partnership or other non-individual Owner  
19 shall thereupon no longer be an officer and his or her office  
20 shall become vacant.

11 5.3 Subordinate Officers, Agents or Employees. The  
12 Board may appoint such subordinate officers, agents or  
13 employees as the Board may deem necessary or advisable,  
14 including one or more assistant vice presidents, one or more  
15 assistant treasurers and one or more assistant secretaries,  
16 each of whom shall hold office for such period, have such  
17 authority and perform such duties as are provided in these  
18 Bylaws or as the Board may from time to time determine. The  
19 Board may delegate to the president or to any committee of the  
20 Board the power to appoint any such additional officers, agents  
21 or employees. Notwithstanding the foregoing, no assistant  
22 treasurer shall have power or authority to collect, account  
23 for, or pay any tax imposed by any federal, state or city  
24 government.

19 5.4 Removal. Any officer or agent may be removed by  
20 the Board whenever in its judgment the best interests of the  
21 Association will be served thereby. Election or appointment of  
22 an officer or agent shall not of itself create contract rights.

21 5.5 Vacancies. A vacancy in any office because of  
22 death, resignation, removal or any other cause, shall be filled  
23 for the unexpired portion of the term in the manner prescribed  
24 in Sections 5.1, 5.2 and 5.3 for election or appointment to  
25 such office.

24 5.6 Chairman of the Board. The chairman of the  
25 Board, if one shall have been appointed and be serving, shall  
26 preside at all meetings of the Board and shall perform such  
other duties as may be assigned to him or her from time to time.

1           5.7 President. The president shall preside at all  
2 meetings of Members, and if a chairman of the Board shall not  
3 have been appointed or, having been appointed, shall not be  
4 serving or shall be absent, the president shall preside at all  
5 meetings of the Board. The president shall be the principal  
6 officer of the Association and, subject to the control of the  
7 Board, shall in general supervise and control all of the  
8 business and affairs of the Association. The president may  
9 sign, with the secretary or any other proper officer of the  
10 Association authorized by the Board, deeds, mortgages, bonds,  
11 contracts or other instruments which the Board has authorized  
12 to be executed, except in cases where the signing and execution  
13 thereof shall be expressly delegated by the Board or by the  
14 Declaration, the Articles or these Bylaws to some other officer  
15 or agent of the Association, or shall be required by law to be  
16 otherwise signed or executed; and in general shall perform all  
17 duties incident to the office of president and such other  
18 duties as may be prescribed by the Board from time to time.

19           5.8 Vice President. The vice president shall have  
20 such powers and perform such duties as the Board or the  
21 president may from time to time prescribe and shall perform  
22 such other duties as may be prescribed by the Declaration, the  
23 Articles or these Bylaws. At the request of the president, or  
24 in case of the president's absence or inability to act, the  
25 vice president shall perform the duties of the president, and  
26 when so acting shall have all powers of, and be subject to all  
the restrictions upon, the president.

          5.9 Treasurer. The treasurer shall be responsible  
for the charge and custody of funds and securities of the  
Association, keeping full and accurate accounts of receipts and  
disbursements in books belonging to the Association and  
depositing all moneys and other valuable effects in the name of  
and to the credit of the Association in such banks and other  
depositories as may be designated by the Board. The treasurer  
shall be responsible for disbursing the funds of the  
Association as may be ordered by the Board, taking proper  
vouchers for such disbursements, and rendering to the president  
and to the directors at the regular meetings of the Board (or  
at such other times as they may require it), a statement of all  
financial transactions and an account of the financial  
condition of the Association; and, in general, the treasurer  
shall perform all the duties incident to the office of  
treasurer and such other duties as may from time to time be  
assigned to the treasurer by the Board.

          5.10 Secretary. The secretary shall: (a) act as  
secretary of, and keep the minutes of, all meetings of the  
Board and of the Members; (b) cause to be given notice of all  
meetings of the Members and directors; (c) be custodian of the

1 corporate seal (if any) and shall affix the seal, or cause it  
2 to be affixed, to all proper instruments when appropriate;  
3 (d) have charge of the books, records and papers of the  
4 Association relating to its organization as a corporation;  
5 (e) see that all reports, statements and other documents  
6 relating to the Association and required by law are properly  
7 kept or filed; and (f) in general perform all the duties  
8 incident to the office of secretary. The secretary shall also  
9 have such powers and perform such duties as are assigned to the  
10 secretary by these Bylaws or applicable law, and shall have  
11 such other powers and perform such other duties, not  
12 inconsistent with these Bylaws, as the Board shall from time to  
13 time prescribe.

14  
15 5.11 Compensation. The officers shall receive no  
16 compensation for their services, unless expressly provided for  
17 in a resolution duly adopted by Members holding a majority of  
18 outstanding votes at a meeting expressly called for that  
19 purpose.

20  
21 5.12 Bonding. Fidelity bond coverage shall be  
22 obtained and maintained by the Board in accordance with the  
23 Declaration.

## 24 ARTICLE 6

### 25 ASSESSMENTS

26 6.1 Assessments, Liens and Budgets. Each Member, as  
an Owner, and each Lot and Parcel shall be subject to the  
Assessments provided for in the Declaration. The Board shall  
have all rights, powers, authorities and obligations as are  
conferred upon it by the Declaration and by applicable law in  
connection with: (a) the preparation and adoption of budgets;  
(b) computation, levying, collection and enforcement of  
Assessments; and (c) adoption of reasonable charges for  
issuance of certificates regarding Assessments.

6.2 Capital Expenditures. Except as may be provided  
to the contrary in the Declaration, the Board shall not approve  
any capital expenditure (as opposed to a maintenance expense)  
in excess of \$10,000.00 without the prior approval of Members  
holding two-thirds (2/3) of the votes represented, personally  
or by valid proxy, at a duly convened meeting of Members.

6.3 Records and Statement of Account. The Board  
shall cause to be kept detailed, itemized and accurate records  
of all receipts and expenditures of the Association. Payment

1 vouchers may be approved in such manner as the Board may  
2 determine.

3       6.4 Discharge of Liens. The Board may cause the  
4 Association to discharge any mechanics' lien or other  
5 encumbrance which in the opinion of the Board may constitute a  
6 lien against the Common Area, rather than against a particular  
7 Lot or Parcel only. When less than all of the Owners are  
8 responsible for the existence of any such lien, the Owners  
9 responsible shall be jointly and severally liable for the  
10 amount necessary to discharge the same and for all costs and  
11 expenses, including, without limitation, attorneys' fees  
12 incurred by reason of or in connection with such lien.

## 13                   ARTICLE 7

### 14                   PARLIAMENTARY RULES

15       The proceedings of all meetings of the Members, of the  
16 Board and of any committees of the Board shall be governed and  
17 conducted according to the latest edition of Robert's Manual of  
18 Parliamentary Rules.

## 19                   ARTICLE 8

### 20                   RESIGNATIONS

21       Any director or officer may resign his or her office  
22 at any time by giving written notice of such resignation to the  
23 president or the secretary of the Association. Such  
24 resignation shall take effect at the time specified therein or,  
25 if no time be specified therein, at the time of the receipt  
26 thereof, and the acceptance thereof by the Board or the  
Association shall not be necessary to make it effective.

## ARTICLE 9

### FISCAL YEAR

                  The fiscal year of the Association shall be from  
January 1 to December 31.

## ARTICLE 10

### CONTRACTS, LOANS, CHECKS AND DEPOSITS

10.1 Contracts. Except as limited or restricted by  
the Declaration, the Articles, these Bylaws or applicable law,  
the Board 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

1 such authority may be general or confined to specific  
2 instances. No contract or other transaction between the  
3 Association and one or more of its directors or between the  
4 Association and any corporation, firm or association in which  
5 one or more of the directors of the Association are directors,  
6 or are financially interested, is void or voidable because such  
7 director or directors are present at the meeting of the Board  
8 or a committee thereof which authorizes or approves the  
9 contract or transaction or because his, her or their votes are  
10 counted, if the contract or transaction is just and reasonable  
11 as to the Association at the time it is authorized or  
12 approved. Common or interested directors may be counted in  
13 determining the presence of a quorum at a meeting of the Board  
14 or a committee thereof which authorizes, approves or ratifies a  
15 contract or transaction.

16 10.2 Loans. No loans shall be contracted on behalf  
17 of the Association and no evidences of indebtedness shall be  
18 issued in its name unless authorized by a resolution of the  
19 Board. No loan approved by the Board in an amount in excess of  
20 \$10,000.00 shall be contracted until approved by Members  
21 holding two-thirds (2/3) of the votes represented, personally  
22 or by valid proxy, at a duly convened meeting of Members.

23 10.3 Checks and Drafts. All checks, drafts or other  
24 orders for the payment of money, notes or other evidences of  
25 indebtedness issued in the name of the Association shall be  
26 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.

10.4 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 as the Board may elect.

## ARTICLE 11

### VOTING UPON SHARES OF OTHER CORPORATIONS

Unless otherwise ordered by the Board, the president  
shall have full power and authority on behalf of the  
Association to vote either in person or by proxy at any meeting  
of shareholders of any corporation in which the Association may  
hold shares or membership(s), and at any such meeting may  
possess and exercise all of the rights and powers incident to  
the ownership of such shares or membership(s) which, as the  
owner thereof, the Association might have possessed and  
exercised if present. The Board may confer like powers upon



1 any other person and may revoke any such powers as granted at  
2 its pleasure.

3 ARTICLE 12

4 PROHIBITION AGAINST SHARING  
5 IN CORPORATE EARNINGS

6 None of the net earnings or pecuniary profit from the  
7 operations of the Association shall at any time inure to any  
8 Member, director, officer -or employee of, or member of a  
9 committee of or person connected with, the Association, or any  
10 other private individual, provided that this shall not prevent  
11 the payment to any such person of such reasonable compensation  
12 for services rendered to or for the Association in effecting  
13 any of its purposes as shall be fixed by the Board and other  
14 payments and disbursements which may be made in furtherance of  
15 one or more of its purposes. To the extent that Members  
16 receive a benefit from the general maintenance, acquisition,  
17 construction, management and care of the Common Area, this  
18 benefit shall not constitute an inurement; to the extent a  
19 rebate of excess dues, fees or Assessments (and not net  
20 earnings) is paid to Members, such payment shall not constitute  
21 an inurement.

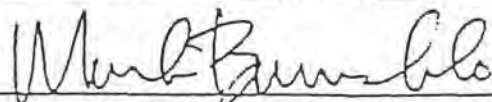
22 ARTICLE 13

23 REPEAL, ALTERATION OR AMENDMENT

24 13.1 Amendment. Subject to the requirements of  
25 applicable law, these Bylaws may be repealed, altered or  
26 amended, or substitute Bylaws may be adopted, only in  
accordance with the procedures set forth in the Articles of  
Incorporation, provided, however, that any matter stated herein  
to be or which is in fact governed by the Declaration may not  
be amended except as provided in the Declaration.

13.2 Conflicts. In the case of any conflict between  
the Articles of Incorporation and these Bylaws, the Articles of  
Incorporation shall control, and in the case of any conflict  
between the Declaration and these Bylaws, the Declaration shall  
control.

The foregoing Bylaws were adopted by the Board of  
Directors of FOOTHILLS CLUB WEST COMMUNITY ASSOCIATION, by  
unanimous written consent in lieu of the first meeting of the  
Board of Directors, effective July 26, 1989.



Mark Borushko, Secretary

# FOOTHILLS CLUB WEST COMMUNITY ASSOCIATION

## BYLAW AMENDMENT

AMENDED MAY 4, 1999

### ARTICLE 3, SECTION 3.7

3.7 Voting. The Members shall be entitled to the voting rights set forth in the Declaration. At every meeting of Members, each Member in good standing shall be entitled to vote either: (a) in person; (b) by an official Ballot sent to the Member by the Board, and signed by the Member and presented to the Board prior to the beginning of the meeting at which the ballot is meant to represent the Member's vote; or (c) by a proxy duly appointed by a written instrument signed by the Member, dated not more than eleven (11) months prior to such a meeting (unless such instrument provides for a longer period not to exceed twenty five (25) months from the date of its execution and states that it is coupled with an interest and is irrevocable). The vote for directors and upon any question before the meeting shall be by voice vote (except as to the votes cast properly by ballot as indicated above) except that, upon the demand of ten (10) Members, a vote shall be taken by ballot. Except as otherwise provided herein or by applicable Arizona law, the Declaration or the Articles, all elections and other matters to be determined by the Members shall be decided by Members (whether present in person, voting by ballot, or proxy) holding a majority of votes represented at a meeting at which a quorum is present. The determination of the existence of a quorum includes votes cast by ballot. Cumulative voting shall not be permitted.

## BYLAW AMMENDMENT

AMENDED APRIL 13, 2000

### ARTICLE 4, SECTION 4.10

4.10 Removal and Resignation of Directors. Any director or the entire Board may be removed, with or without cause, by Members holding a majority of all votes. Any director may resign upon written notice pursuant to Article 8 of these Bylaws. The Board shall have the power to remove a member of the Board of Directors if such director shall be absent for three (3) consecutive regular meetings within a six-month period.