

BYLAWS
OF
CAREFREE 60 COMMUNITY ASSOCIATION

ARTICLE I

Identity

Section 1. The Association. The Bylaws shall govern the operation of the Carefree 60 Community Association (the "Association"), an Arizona non-profit corporation.

Section 2. Terms. The words used in these Bylaws shall be given their normal, commonly understood definitions. Unless otherwise defined in the Bylaws, capitalized terms used herein shall have the same meanings as in the Declaration of Covenants, Conditions, and Restrictions for Carefree 60 recorded November 21, 2014, as Instrument Number 20140772587, official records of Maricopa County, Arizona, and as thereafter amended or supplemented from time to time (the "Declaration"), which by this reference is incorporated herein. Any amendments or supplements to the Declaration shall automatically be incorporated herein, and all references to the Declaration shall be deemed to include any such amendments or supplements.

Section 3. Priority of Declaration. The provisions of the Declaration and the Articles shall have priority over the Bylaws, and any provisions of the Bylaws which are contrary to or inconsistent with the Declaration or the Articles shall be void to the extent of such inconsistency. In the case of a conflict between the Declaration and the Articles, the Declaration shall control.

Section 4. Principal Office. The principal office of the Association shall be located initially in the City of Scottsdale.

ARTICLE II

Membership

Section 1. Members. Membership in the Association shall be as set forth in the Declaration, the Articles and these Bylaws.

Section 2. Annual Meetings. Annual meetings of the Members shall be held each year and within at least fourteen (14) months from the prior annual meeting. Annual meetings shall be held on such dates and times as shall be designated by the Board of Directors.

Section 3. Location of Meetings. All meetings of the Members shall be held at such date, place and time as shall be designated by the Board.

Section 4. Special Meetings. A special meeting of the Members shall be promptly scheduled by the Board in response to:

- (a) the President;
- (b) a decision by the Board; or

(c) a written petition for a special meeting signed by Members representing at least twenty-five percent (25%) of the total voting power of the Members entitled to vote on the matter to be considered at the special meeting, which petition must state the specific purpose of the special meeting. For purposes of determining whether the 25% requirement has been met, the record date is the close of business on the 30th day before delivery of the petition.

Section 5. Record Date. For any meeting of the Members, the Board of Directors may fix a date not more than fifty (50) days before the date of the meeting, as a record date for the determination of the Members entitled to vote at the meeting. If the record date has not been fixed in advance of a meeting as provided herein, the time of commencement of such meeting shall be deemed the record date.

Section 6. Notice of Meetings. Notice of annual and special meetings of the Members shall be given by the Board of Directors to Members, not less than ten (10) nor more than fifty (50) days before the date of the meeting. Notice shall be hand-delivered or sent prepaid by United States mail to the mailing address for each Lot or Owner or to any other mailing address designated in writing by a Member. The notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called. Any Member may waive notice of any meeting before, during or after the meeting.

Section 7. Voting. The voting rights of the Members shall be as provided in the Declaration.

Section 8. Quorum. Except as otherwise set forth in the Project Documents, a quorum of Members for annual and special meetings shall be constituted by Members entitled to cast ten percent (10%) of the eligible votes in the Association represented in person or by absentee ballot (or by proxy during the Declarant Control Period). Unless the vote of a greater number is required by the Project Documents or applicable law, the affirmative vote of the Members holding more than fifty percent (50%) of the total votes entitled to be cast by the Members who are eligible to vote and present in person or by absentee ballot (or by proxy during the Declarant Control Period) at a meeting at which a quorum of Members is present shall be binding as the act of the Members. A meeting of Members shall not be organized and no business of the Association shall be transacted at any meeting of Members, unless a quorum of Members is present at the meeting by a combination of persons present in person and by absentee ballot.

Section 9. Method of Voting. All issues presented at any annual or special meeting for a vote by the Members shall be voted upon in writing. Members shall have the opportunity

to vote in person at the meeting or by absentee ballot (or by proxy during the Declarant Control Period). The Board shall also have the discretion to allow Members to vote by some other form of delivery. Written ballots shall only be in the form selected and made available by the Board. Except for the ballot for the election of directors, the form of written ballot shall provide Owners with the opportunity to vote for or against each matter or group of matters to be acted upon.

Section 10. Proxies. During the Declarant Control Period, a Member entitled to vote may do so by filing a written proxy with the Secretary or other officer authorized to tabulate votes before or at the time of a meeting. The proxy shall be counted for purposes of determining whether a quorum is present, and may be voted by the holder of the proxy with respect to any business that may come before the meeting for which the proxy is filed. A proxy shall be valid for eleven (11) months from the date of its execution, unless a different period is expressly provided in the proxy. Proxies shall be revocable unless otherwise conspicuously stated therein and coupled with adequate legal interest. The death or incapacity of a Member who appoints a proxy does not affect the right of the Association to accept the proxy's authority unless the Secretary or other officer or agent authorized to tabulate the votes receives written notice of the death or incapacity before the proxy exercises authority under the appointment. A revocable proxy shall be terminated if the Member subsequently files another proxy or files a written notice of termination of the proxy prior to the meeting, or the Member attends and votes at the meeting in person. A proxy shall be automatically revoked upon termination of the Member's Membership.

Section 11. Action by Written Consent. Pursuant to Arizona law, including, but not limited to, Arizona Revised Statutes §10-3704, as amended from time to time, the Members may approve any action required or permitted by law that requires the Members' approval without a meeting of the Members if the action is approved in writing by Members holding at least a majority of the voting power in the Association, unless the Declaration, Articles, these Bylaws or applicable law require a different amount of voting power. The action shall be evidenced by one (1) or more written consents describing the action taken, signed by those Members representing at least the requisite amount of the voting power, and delivered to the Association for inclusion in the minutes or filing with the corporate records of the Association.

ARTICLE III

Board of Directors

Section 1. Number and Qualification. The business, property and affairs of the Association shall be managed, controlled and conducted by a Board of Directors. During the Declarant Control Period, the Directors of the Association shall be appointed by and may be removed solely by Declarant. The initial Board shall consist of three (3) Directors as identified in the Articles. The number of Directors may be altered from time to time by resolution of the Board within the limits prescribed by the Articles, provided that there shall be an odd number of Directors.

After the Declarant Control Period, or at such earlier time as Declarant relinquishes its rights to appoint the Board, Directors shall be elected by the Members at the annual meeting of

the Members or any special meeting called for such purpose. In the event of any increase in the number of Directors in advance of the annual meeting, each additional Director shall be elected by the then members of the Board and hold office until his successor is duly elected at the next annual meeting of the Members. Except with respect to Directors appointed by the Declarant, Directors shall be Members. Furthermore, no more than one representative from a particular Lot may serve on the Board at the same time, except during the Declarant Control Period.

In the case of a Member which is a partnership, corporation, or other such legal entity, any officer, director, manager, partner or trustee of such entity shall be presumed to be eligible to serve as a Director unless otherwise specified by written notice to the Association signed by such entity. No Member may have more than one such representative on the Board at a time, except in the case of the Directors appointed by the Declarant.

No individual shall continue to serve on the Board if such individual, or the corporate, partnership or other non-individual Member which designated such individual for candidacy as a Director, is not entitled to vote or is more than thirty (30) days delinquent in the payment of an Assessment, and such delinquency shall automatically constitute a resignation by such Director on the thirty-first (31st) day of the delinquency.

After the Declarant Control Period, if any Director fails to attend three (3) or more successive meetings of the Board, including special meetings, of which such Director has been given notice as provided in Sections 7 and 8 of this Article, or misses four (4) or more meetings out of six (6) successive meetings of the Board, including special meetings, of which such Director has been given notice as provided in Sections 7 and 8 of this Article, such Director shall, unless otherwise determined by two-thirds (2/3rds) of the Directors present at a meeting at which a quorum is present, be automatically removed as a Director.

Section 2. Powers and Duties. Subject to any restrictions set forth in the Declaration, the Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or otherwise directed to be exercised and done by the Members or the President. The powers of the Board shall include, but not be limited to, all of the rights and duties of the Board as set forth elsewhere in the Bylaws, the Articles and the Declaration and shall, subject to the restrictions set forth in the Declaration, also include the power to promulgate such rules and regulations pertaining to the rights and duties of Members of the Association, and all other matters, as may be deemed proper and which are consistent with the foregoing. The Board may delegate to one or more committees and to officers, employees or agents of the Association, such duties and powers, all as appears to the Board to be in the best interests of the Association and to the extent permitted by law; provided, however, that no such delegation shall relieve the Board of its obligation to perform any such delegated duty.

Section 3. Election and Term of Office. The nomination of Members to run for election to the Board may be made by a nominating committee appointed by the Board, or by any other reasonable method determined by the Board. If the Board does not appoint a nominating committee, or if no other method of nomination is determined by the Board,

nominations may be made by self-nomination. After the Declarant Control Period, voting for the election of Directors shall be by written ballot. Directors shall serve for one (1) year terms.

Section 4. Resignation. A Director shall serve until removed, until his successor is duly elected and qualified, until he resigns, or until he is disqualified, whichever occurs first. Any Director may resign at any time by giving written notice to the Board, the President or the Secretary. The resignation of a Director shall take effect on the date of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.

Section 5. Vacancies. Vacancies on the Board caused by any reason, other than a vacancy resulting from a removal by a vote of the Members, may be filled by vote of the majority of the remaining Directors even though less than a quorum, or by the remaining Director if there be only one. Unless otherwise determined by the Board, each individual so appointed shall fulfill the remaining term of the Director he is replacing. In the event no Director remains to fill vacancies on the Board, the vacancies shall be filled by a vote of the Members at a duly held annual or special meeting. Any vacancy on the Board caused by the removal of a Director by a vote of the Members shall be filled by a vote of the Members at a duly held annual or special meeting.

Section 6. Compensation. No compensation shall be paid to Directors for their services as Directors. Directors and officers, however, may be reimbursed for any actual expenses incurred in connection with their duties as such officers or Directors.

Section 7. Regular Meetings. Regular meetings of the Board shall be held at such time and place as the Board shall determine. After the Declarant Control Period, notice to Directors of regular meetings shall be delivered by telephone, mail, e-mail, or facsimile to each Director not less than forty-eight (48) hours prior to the meeting. Notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting. After the Declarant Control Period, notice to Members of regular meetings of the Board shall be given at least forty-eight (48) hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board.

Section 8. Special Meetings. Special meetings of the Board may be called by the President. Special meetings of the Board shall also be called by the President upon the written request of at least two of the Directors other than the President. Notice to Directors of special meetings shall be delivered to each Director by mail, telephone, e-mail, or facsimile. Notice to Directors of special meetings shall be given not less than forty-eight (48) hours prior to the special meeting unless emergency circumstances necessitate a meeting before such notice can be given. Notice of any such meeting need not be given to any Director who signed a waiver of notice or a written consent to holding of the meeting. After the Declarant Control Period, notice to Members of special meetings of the Board shall be given at least forty-eight (48) hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board, unless emergency circumstances necessitate a meeting before forty-eight (48) hours notice can be given. Notice to Directors of special meetings shall state the time,

place and purpose of the meeting. Special meetings of the Board shall be held at such time and place as the Board shall determine.

Section 9. Waiver of Notice. Before, at, or after any meeting of the Board, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be deemed to be a waiver of notice by him, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 10. Meetings Open to Members. Regular and special meetings of the Board are open to all Members in accordance with A.R.S. § 33-1804 and may be closed only to the extent permitted by law.

Section 11. Meetings After the Declarant Control Period. For meetings of the Board that are held after the Declarant Control Period, all of the following apply:

- (a) The agenda shall be available to all Members attending.
- (b) An emergency meeting of the Board may be called to discuss business or take action that cannot be delayed until the next regularly scheduled Board meeting. The minutes of the emergency meeting shall state the reason necessitating the emergency meeting. The minutes of the emergency meeting shall be read and approved at the next regularly scheduled meeting of the Board.
- (c) Any quorum of the Board that meets informally to discuss Association business, including workshops, shall comply with the open meeting notice provisions of this section without regard to whether Board votes or takes any action on any matter at that informal meeting.

Section 12. Quorum. A majority of the Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board there be less than a quorum present, a majority of those Directors present may adjourn the meeting from time to time. No business of the Board shall be transacted at any meeting of the Board unless a quorum is present. Every act or decision done or made by a majority of the Directors at a duly held meeting at which a quorum is present shall be regarded as the act of the Board unless the Articles, the Bylaws or the Declaration otherwise specifically requires the affirmative vote of a different number of Directors on a specific matter.

Section 13. Telephonic Participation. Meetings of the Board, whether regular or special, may be held by means of a conference telephone call if a speakerphone is available in the meeting room that allows all parties attending to hear all parties who are speaking during the meeting.

Section 14. Director Proxies. At any meeting of the Board of Directors, a Board member may vote in person or by proxy pursuant to Arizona Revised Statutes §10-3824, as may be amended.

Section 15. Action Taken Without a Meeting. The Directors shall have the right, pursuant to Arizona law, including, but not limited to, Arizona Revised Statutes §10-3821, as amended from time to time, to take any action in the absence of a meeting which they could take at a meeting by obtaining from the Directors a unanimous written consent to resolutions specifying the action.

ARTICLE IV

Officers

Section 1. Designation and Qualification. The principal officers of the Association shall be a President, a Secretary, a Treasurer and, if deemed necessary by the Board, one or more Vice Presidents. The Directors may appoint an Assistant Secretary and an Assistant Treasurer, and such other officers as in their judgment may be necessary. Any individual holding the office of President must be a Director. Individuals holding offices other than that of President need not be Directors but all officers must be Members (except during the Declarant Control Period). Any one individual may hold two or more offices at the same time, except that no one individual shall simultaneously hold the offices of President and Treasurer.

Section 2. Election and Term of Officers. During the Declarant Control Period, the Declarant shall have the power to appoint and remove the officers of the Association. Thereafter, the officers of the Association will be elected annually by the Board of Directors at the first meeting of the Board of Directors after the annual meeting of the Members. If the election of officers will not be held at such meeting, such election will be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the Board of Directors.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected.

Section 4. Resignation of Officers. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. The resignation of an officer shall take effect on the date of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office may be filled by vote of a majority of the Board. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Members of the Association and of the Board. He shall have all of the general powers and duties that are normally vested in the office of the President of a corporation. The President shall also have such other powers as provided for in the Declaration.

Section 7. Vice President. The Vice President, if a Vice President is chosen (or the most senior Vice President, if there shall be more than one), shall take the place of the President and perform his duties whenever the President shall be absent, unable to act or refuses to act. If neither the President nor a Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. A Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

Section 8. Secretary. The Secretary shall be responsible for the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Members. The Secretary shall have responsibility for the Membership books and such other books and papers as the Board may direct; and the Secretary shall, in general, perform all the duties incident to the office of the Secretary.

Section 9. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for assuring that full and accurate accounts are kept of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for overseeing the deposit of all moneys and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board.

ARTICLE V

Committees

Section 1. General. The Board may establish and appoint committees from time to time as the Board decides is appropriate to assist in the conduct of the affairs of the Association. Committee members may, but need not, be Association Members. Committee Members serve at the Board's discretion for such periods as the Board may designate by resolution or committee charter; provided, however, any committee member, including the committee chair, may be removed by the vote of the majority of the Directors. Each committee shall operate in accordance with the terms of such committee's charter.

Section 2. Design Review Committee. There shall be a Design Review Committee as provided for in the Declaration. The Design Review Committee shall be appointed in the manner provided for in the Declaration and shall have such duties and powers as provided for in the Declaration.

Section 3. Committees of the Board. The Board may by resolution appoint committees of the Board comprised of Directors, which committees shall have the powers and authority designated in the resolution or charter establishing them.

ARTICLE VI

Fiscal Management

Section 1. Depositories. The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board from time to time, upon resolutions approved by the Board, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association or management company as may be designated by the Board.

Section 2. Budgets. An operating budget for each fiscal year shall be prepared by the Board and made available to all Members of the Association.

Section 3. Loans. No loan shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in the Association's name unless authorized by a resolution of the Board.

Section 4. Other Provisions. Other provisions regarding fiscal management, including such matters as Common Expenses and Assessments, are set forth in the Declaration.

ARTICLE VII

Miscellaneous

Section 1. Books and Accounts. The Association shall comply with A.R.S. § 33-1805 with respect to the availability of the Association's financial and other records.

Section 2. Execution of Corporate Documents. With the prior authorization of the Board, all notes, checks and contracts or other obligations shall be executed on behalf of the Association by such one or more Directors or officers of the Association as said Board shall designate.

Section 3. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board.

Section 4. Venue. The proper venue for any dispute arising in connection with these Bylaws shall be Maricopa County, Arizona.

Section 5. Notice. The address of the Association for purposes of any notice required or permitted under the Bylaws or the Declaration shall be address of record for the Association on file with the Maricopa County Recorder's office.

Section 6. Gender. Masculine, feminine and neuter references herein shall each include the others as the context requires.

ARTICLE VIII

Amendment of the Bylaws

Section 1. Amendment. Until termination of the Declarant Control Period, the Declarant may amend the Bylaws for any purpose, and without the consent or approval of any Owners or Members, or any other Person. After the Declarant Control Period, the amendment of the Bylaws shall require:

- (1) The affirmative vote of Members holding a majority of the votes in the Association;
- (2) The approval of the Board; and
- (3) The affirmative vote of Declarant so long as Declarant owns any land within the Covered Property or the Annexable Property.

Notwithstanding the foregoing, the percentage of the voting power of the Members or of Members other than Declarant necessary to amend a specific clause or provision in the Bylaws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision.

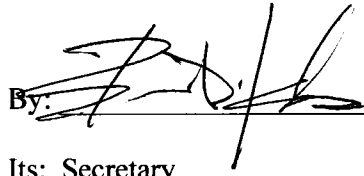
Section 2. Inconsistency Resulting from Purported Amendment. The Bylaws shall not be amended to contain any provisions that would be contrary to or inconsistent with the Declaration or the Articles, and any provision or purported amendment or modification to the Bylaws which is contrary to or inconsistent with the Declaration or the Articles shall be void to the extent of such inconsistency.

CERTIFICATION

The Secretary of the Association hereby certifies that the foregoing Bylaws constitute the initial Bylaws duly adopted by the Board of the Association.

DATED this 21st day of November, ~~2013~~ 2014.

CAREFREE 60 COMMUNITY ASSOCIATION

By:  _____
Its: Secretary