

REGIME III

AMENDED AND RESTATED BY-LAWS FOR

DECEMBER, 2017

AMENDED AND RESTATED BY-LAWS
FOR
SCOTTSDALE SHADOWS III
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AMENDED AND RESTATED BY-LAWS
FOR
SCOTTSDALE SHADOWS REGIME III, INC.

ARTICLE I

Section 1. Scottsdale Shadows Regime III, Inc., hereinafter referred to as the “Association” is an Arizona non-profit corporation, located in Scottsdale, Arizona in Maricopa County

Section 2. Definitions. Whenever terms are used herein which are defined in Title 33, Arizona Revised Statutes, and such words shall be the definitions as set forth in said Statutes.

Section 3. Application of the By-Laws. All present and future owners, tenants and future tenants or their employees or any other person that might use the Facilities of the Association in any manner are subject to the provisions of these By-Laws. The ownership or rental of these units in the Association or the mere action of occupancy of any of the said units will signify that these By-Laws are accepted, ratified and will be complied with by the occupant or Owner.

Article II

Section 1. Voting. Each Owner shall receive one vote for each Unit owned. If more than one person owns a Unit, the vote must be cast as a Unit. Splitting of a vote shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote shall be cast, they shall lose the right to vote on the matter in question. If any Owner or Owners casts a vote representing a certain Unit, it will thereafter be conclusively presumed for all purposes that he/she/they were acting with the authority and consent of all other Owners of the same Unit. In the event more than one vote is cast for a particular Unit, and there is a conflict among votes, none of the votes shall be counted and said votes shall be deemed void.

Section 2. In all matters requiring a vote of the Owners, voting shall be on a percentage basis and the percentage of the vote to which each Owner is entitled is the same percentage assigned to each of the said apartments in the common elements of the Declaration submitting said property to a horizontal property regime. The Percentage of Interest is described in Appendix “S”.

Section 3. The term “Majority of Co-owners” or “Majority of Owners” shall mean those Owners holding more than fifty percent (50%) of the vote in accordance with the percentages assigned to each condo unit including their parking stall (s).

Section 4. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by absentee ballot, by mail in ballot or email ballot to the Association email that is specified, of twenty five percent (25%) of the total Percentage of Interest shall constitute a quorum. No business shall be transacted at an Annual Meeting or Special Meeting unless a Quorum was established at the time of the meeting.

Article III

Section 1. Council Responsibility. The Association shall be governed by a Board of Directors (“Board” or “Council”), elected by the Owners at the Annual meeting. The Board will exercise those duties and responsibilities provided for by law and in the Declaration.

Section 2. Place of meeting. Board meetings shall be at the principal place of business of the Association or such other suitable place convenient to the Owners as may be designated by the Board of Directors.

Section 3. Annual Meetings. The Annual meeting of the Association shall be held once each year. The Board of Directors shall be elected by the Owners, in person or by absentee ballot, at the annual meeting. Not fewer than ten (10) nor more than fifty (50) days in advance of any meeting of the Unit Owners, the secretary shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the Unit Owner. The notice of any special meeting shall state the date, time and the place of meeting and the purpose thereof

Section 4. Special Meetings. Special meetings of the Association may be called by the President, by a majority of the Board, or by Unit Owners having at least 25% of the total votes in the Association. Not fewer than ten (10) nor more than fifty (50) days in advance of any meeting of the Unit Owners, the secretary shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the Unit Owner. The notice of any special meeting shall state the date, time and the place of meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Executive Session. Any portion of a Board meeting may be closed only if that closed portion of the meeting is limited to consideration of one or more of the following:

1. Legal advice from an attorney for the board or the association. On final resolution of any matter for which the board received legal advice or that concerned pending or contemplated litigation, the board may disclose information about that matter in an open meeting except for matters that are required to remain confidential by the terms of a settlement agreement or judgment;
2. Pending or contemplated litigation;
3. Personal, health or 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, including records of the association directly related to the personal, health or 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;
4. Matters 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; and
5. Discussion of a member's appeal of any violation cited or penalty imposed by the association except on request of the affected member that the meeting be held in an open session.

Before entering executive session, the Board shall identify the section that authorizes the Board to close the meeting.

Section 6. Adjourned Meetings. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by mail/email to specified Association email, may adjourn the meeting to a time a quorum can be reached.

Section 7. Agenda, Emergency Meetings, Quorum.

1. The agenda shall be available to all members attending.
2. An emergency meeting of the board of directors 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 of directors.
3. A quorum of the board of directors may meet by means of a telephone conference if a speakerphone is available in the meeting room that allows board members and association members to hear all parties who are speaking during the meeting.
4. Any quorum of the board of directors that meets informally to discuss association business, including work- shops, shall comply with the open meeting and notice provisions of this section without regard to whether the board votes or takes any action on any matter at that informal meeting.

Section 8. Taping/Recording of Meetings

- In order to prevent interruptions, all recording equipment must be in position 10 minutes prior to the start of the meeting;
- Any recording equipment must not produce sound or distracting light emissions;
- All owners utilizing recording equipment must set up the recording equipment in the place designated by the Association;
- All recording equipment is the responsibility of the owner, the association is not obligated to provide equipment;
- If any recording equipment fails, the association will not stop the meeting while the equipment is reset; and
- No recording of a meeting shall be posted, or otherwise made available on the internet, without the written consent of the board
- A recording of a meeting is not the official record of the meeting; the approved meeting minutes are the official record of the meeting.
- The association does not make any representations as to the authenticity of the recording; and
- All rules and regulations adopted by the association will be adhered to during the recording of the meeting.

Section 9. Order of Business The order of business at all meetings of the Association, except for Special/Executive Meetings where these sections are not pertinent and therefore may be omitted, shall be as follows:

- (a) Call to Order
- (b) Roll Call/ Verify quorum reached
- (c) Reading of minutes of last meeting (*Annual Meeting minutes read are of last Annual Meeting*)
- (d) Treasurers Report
- (e) Presidents Report
- (f) Committee Reports
- (g) Election Results
- (h) Unfinished Business
- (i) New Business
- (j) Adjournment

ARTICLE IV
Board of Directors

Section 1. Number of Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons, all of which must be record Owners of Units within the Association and must be current with assessments, fines, and all other costs and fees.

Section 2. Powers and Duties. The Board of Directors 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, by the Declaration of Restrictions, or by these By-Laws directed to be exercised and done by the Owners.

Section 3. Other Duties. In addition to the duties imposed by the Declaration, these By-Laws or by Resolution of the Board, the Board of Directors shall be responsible for the following:

- (a) Care, upkeep and surveillance of the Common Elements.
- (b) Preparation of an annual budget.
- (c) Collection of monthly assessments from the Owners.

- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Association, the general common elements and facilities.
- (e) Employment of a management agent at a compensation established by the Board of Directors to perform such duties and services as the Board shall authorize. The duties conferred upon the management agent by the Board of Directors may at any time be revoked, modified or amplified by a majority of the Board of Directors at a duly constituted meeting,
- (f) To make repairs within the individual units where such repairs are required for the welfare of safety of the Association or its residents.
- (g) To exercise the option to purchase granted in the Declaration of Restrictions or to designate a person or persons to exercise such options as provided therein.
- (h) To acquire an interest in Recreation Center, Inc. and to obligate the Association to pay its share of assessments levied by said Recreation Center, Inc. for the purchase, construction, development, operation, maintenance, and management of recreation facilities for the Owners in the Association, and other Associations.
- (i) To designate one of its members as a representative of this Association to attend and vote at all meetings of the Board of Directors and stockholders of Recreation Center Inc.
- (j) Obtain the insurance required by the Association's Declaration.
- (k) To grant or relocate easements required for the benefit of the Association
- (l) Adopt and amend rules and regulations and enforce the same covering the operation and the use of all property and recreation areas in the Association.
- (m) Suspend, prohibit and restrain any Owner, who is delinquent in the payment of any assessments, or who violates any of the rules, regulations, By-Laws or Declarations, from using all or any part of the recreation facilities furnished and provided by Recreation Center, Inc.
- (n) Opening of bank accounts on the behalf of the Association and designating the signatories required therefore.
- (o) Invest any excess funds held or controlled by the Board.

Section 4. Election and Term of Office. At the annual meeting of the Association each Director's term of office shall be fixed for three (3) years unless that the director has not served before on the board, he is elected to a (1) one year term. At the expiration of the initial term of office of each Representative, Director, his successor shall be elected. The Directors shall hold office until their successors have been elected and installed after the adjournment of Annual Meeting.

Section 5. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Council shall be filled by the vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person

so elected shall be a director until a successor is elected at the next annual meeting of the Association.

Section 6. Removal of Directors.

At a special meeting of the Association at which a quorum is present, any Board Director can be removed by the Members, with or without cause, by the vote of a majority of the Members who are voting. For the purposes of the removal, a special quorum exists. For the purposes of removal, quorum exists if 20% of the Owners are present at that the meeting or have returned an absentee ballot. The procedure for removing Board Directions is as follows:

- a. A petition signed by the Owners entitled to cast at least 25% of the votes in the Association which requests the removal of a Board Director must be submitted to the Board.
- b. Upon receipt of the petition, the Board must notice and hold the special removal meeting within 30 days from receipt of the petition. The notice of the special meeting must be given to Owners at least 10 days before the meeting by hand-delivery or prepaid United States mail to the mailing address of each unit or to any other mailing address designated in writing by the Unit Owner. An absentee ballot must be sent with the notice of the special meeting and give the Member the right to vote for or against the removal of the named director who is proposed to be removed.
- c. The Board shall retain all documents and other records relating to the proposed removal of a Board Director and any other action taken for that Director's replacement for at least one year after the date of the special meeting and shall permit members to inspect those records pursuant to ARS 33-1258.
- d. A petition that calls for the removal of the same member of the Board shall not be submitted more than once during each term of office for that member.
- e. Upon removal of at least one but fewer than a majority of the members of the Board, the remaining Board members should fill the vacancy as provided in Section 5 above.
- f. Upon removal of a majority of the members of the Board, the Association shall hold an election for the replacement of the removed directors at a separate meeting of the members of the Association that is held not later than thirty days after the meeting at which the members of the Board were removed.
- g. If a civil action is filed regarding the removal of a board member, the prevailing party in the civil action shall be awarded its reasonably attorney fees and costs.
- h. A member of the Board who is removed pursuant to this Section is not eligible to serve on the Board again until after the expiration of the removed Board member's term of office.

Section 7. Compensation. No compensation shall be paid to the directors or officers for their services as directors or officers. No remuneration shall be paid to a director for services performed by him for the Association in any capacity, unless the Board of Directors shall have unanimously adopted a resolution authorizing such remuneration before the services are undertaken. Neither a director nor an officer may be an employee of the Association, Directors

and officers, however, may be reimbursed of any actual expenses incurred in connection with their duties as such officers or directors.

Section 8. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such a place as shall be fixed by the Directors at the meeting at which such directors were elected.

Section 9. Regular Meeting. Regular meetings of the Board of Directors may be held at such a time and place as shall be determined, from time to time, by a majority of the directors but at least two(2) such meetings shall be held during the fiscal year. Notice of regular meetings of the Board of Directors shall be given at least forty-eight hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board. The notice shall state the date, time and place of the meeting.

Section 10. Board of Directors' Quorum. At all meeting of the Board of Directors, majority of the directors shall constitute a quorum for the transaction of business, and the act of the majority of the directors present at the meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business, which might have been transacted at the meeting as originally called, may be transacted without further notice.

Section 11. The members of the Board of Directors shall not be liable to the Association of Owners or any Owner for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions to the Declaration or of these By-Laws.

ARTICLE V

Officers

Section 1 Designation. The principal officers of the Council shall be a President, Vice-President, Secretary and Treasurer, Building Administrator, all of whom shall be elected by and from the Board of Directors.

Section 2. Election of Officers. The officers of the Council shall be elected annually by the Board of Directors after adjournment of the Annual meeting, at the organizational meeting.

Section 3. Removal of Officers. Upon the affirmative vote of the majority of members of the Board of Directors, any officer may be removed from his *position*, either with or without

cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. A board member may only be removed *from the Board* pursuant to A.R.S. 33-1243.

Section 4. President. The President shall be the chief executive officer of the council. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of the Association including, but not limited to the power to appoint committees from among Owners from time to time as he may at his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President shall be able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. Secretary. The Secretary shall have the responsibility for keeping the minutes of all meetings of the Board of Directors and the Association and such correspondence as shall be necessary and also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 7. Treasurer. The Treasurer shall have the responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and distributions in the books belonging to the Association and such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall have the responsibility for the collection of delinquent monthly assessments and other delinquent assessments, fees, legal fees and fines associated with said payments.

ARTICLE VI

Section 1. Budget The Treasurer is to prepare a budget for the Association the term and the amount of the common charges payable by the Owners to meet the common expenses of the Association and allocate and assess such common charges among the Owners according to their respective common interests. The Board of Directors shall advise all Owners promptly in writing of the amount of common charges payable by each of them respectively and shall furnish copies of the budget on which such common charges are based to all co-owners and their mortgagees if requested in writing. The Board of Directors may levy a late penalty charge on any Owner who fails to pay his assessment on or before the due date as set by the Board of Directors.

ARTICLE VII

Amendments

These By-Laws may be amended by a majority vote of the Board at a regular or special meeting where notice of the proposed amendment is included in notice of meeting, provided no By-Laws may be amended or added which would be in conflict with the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Scottsdale Shadows III, Inc.

Certification

The President and Secretary of the Association hereby certify that the provisions contained within this Amended and Restated Bylaws has been approved by the required percentage of the Owners at a Member meeting on December 27, 2017. Dated this day 28th of December, 2017

Scottsdale Shadows III, Inc.

By: [Signature]
Its: President

STATE OF ARIZONA
_____) ss.
County of Maricopa

On this 28th day of December, 2017, before me personally appeared Robert K. Morgan whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document, and who acknowledged that he/she signed this document.

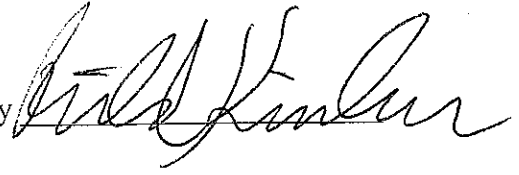
Notary Seal:



Notary Public [Signature]

Scottsdale Shadows III, Inc.

BY:
Its: Secretary



STATE OF ARIZONA)

) ss.

County of Maricopa

On this 28 day of December, 2017 before me personally appeared Richard Kirschner whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document, and who acknowledged that he/she signed this document.

Notary Seal:



Notary Public

