

BYLAWS

FOR

RIGGS RANCH
MEADOWS
HOMEOWNERS
ASSOCIATION

BYLAWS OF RIGGS RANCH MEADOWS HOMEOWNERS ASSOCIATION

ARTICLE I PLAN OF LOT OWNERSHIP

Section 1.1 Name and Location. These Bylaws shall constitute the Bylaws of Riggs Ranch Meadows Homeowners Association (the "Association"), a corporation formed pursuant to any Covenants, Conditions, Restrictions and Easements now or hereafter recorded in the records of the County Records of Maricopa County, Arizona, as (the "Declaration"), for that subdivision recorded and known as Riggs Ranch Meadows (the "Project").

Section 1.2 Personal Application. All present or future Owners (as defined in the Declaration), tenants, future tenants, or their employees, or any other persons who might use the facilities of the Project in any manner, are subject to the regulations of these Bylaws as set forth below.

Section 1.3 Non-Profit Corporation. The Association is an Arizona non-profit corporation, and is organized and existing under and by virtue of the laws of the State of Arizona as same pertain to the application of corporate activities and the Project. The office of the Association shall be located at 5333 North 7th Street, Suite 305, Phoenix, Arizona 85014, but meetings of the Members and Directors may be held at such places within the State of Arizona, Counties of Maricopa, as may be designated by the Board of Directors.

Section 1.4 Terms. Capitalized terms utilized without definition in these Bylaws shall, except as otherwise provided herein, have the meanings set forth in the Declaration.

ARTICLE II MEETINGS OF THE MEMBERSHIP

Section 2.1 Place. All meetings of the Members shall be held at the Project, or at such other place as shall be designated by the Board of Directors of the Association and stated in the Notice of Meeting.

Section 2.2 Annual Meeting. An annual meeting of Members shall be held during the month of January of each year, for the purpose of electing Directors and transacting other business authorized to be transacted by the Members.

Section 2.3 Special Meetings. Special meetings of the Members, for any purpose or purposes, may be called by the President of the Board of Directors, by a majority of the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A Membership.

Section 2.4 Notices and Quorums. Written notice of any annual or special meeting shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. At all subsequent meetings, the presence of Members or proxies entitled to cast 25% of all of the votes of each class of membership shall constitute a quorum.

If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one half (1/2) of the required quorum at

the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. Written notice of each such meeting shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, to each Member entitled to vote at such meeting, 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 and in the case of a special meeting, the purpose of the meeting, and such other information as may be required by law.

Section 2.5 Proxies. At all meetings of Members, each member and/or entity entitled to vote at such meeting (herein, a "Voting Member") may vote in person or by proxy. All proxies shall be in writing and shall be filed with the Secretary before or at the time of the meeting. Every proxy shall be revocable and shall automatically terminate upon conveyance by the Member of the Member's Lot or eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Memberships held by a legal personal representative or by a court appointed receiver may be voted, in person or by proxy, by such representative or receiver without the transfer of such Membership into the name of the trustee, except pursuant to a valid voting trust agreement.

Section 2.6 Informal Action. Any action required to be taken at a meeting of the Members, or any other action which may be taken at such meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Voting Members entitled to vote with respect to the subject matter of such consent.

Section 2.7 Irregularities. All information and/or irregularities in calls, notices of meetings and in the manner of voting, form of proxies, credentials, and method of ascertaining those present, shall be deemed waived if no objection is made at the meeting or if waived in writing.

Section 2.8 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members, or in order to make a determination of Members for any other purpose, the Board of Directors, at its election, may provide that the Membership books shall be closed for a stated period, but not to exceed in any case fifteen (15) days prior to the event concerned.

ARTICLE III BOARD OF DIRECTORS; ARCHITECTURAL COMMITTEE

Section 3.1 Number and Term of Office. Except for the initial Board (consisting of three members), the Board of Directors shall consist of five (5) members, each of which shall be an Owner of a Lot or, if an Owner is a corporation, partnership, trust or other legal entity, the Director may be a representative thereof. At the first annual meeting, the Members shall elect two (2) Directors for a term of three (3) years, two (2) Directors for a term of two (2) years and one (1) Director for a term of one (1) year; and at each annual meeting thereafter, the Members shall elect the number of Directors as is appropriate to replace those Directors whose terms have expired and to maintain staggered terms for the Directors for a term of three (3) years each.

Section 3.2 Organizational Meeting. The organizational meeting of the Board of Directors and annual meetings thereafter shall be held at such place and at such time as shall be determined by the Directors.

Section 3.3 Removal of Directors. At any time after the first annual meeting of the Members, any one or more of the Directors may be removed from the Board with or without cause by the affirmative vote of the Voting

Members casting not less than two-thirds of the total vote present at such meeting, and a successor may then and there be elected to fill the vacancy.

Section 3.4 Vacancies on Board of Directors. If the office any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, disability or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor or successors, who shall hold office for the balance of the unexpired term.

Section 3.5 Disqualification and Resignation of Directors. Any Director may resign at any time by sending written notice of such resignation to the office of the Association delivered to the Secretary. Unless otherwise specified in such notice, such resignation shall take effect upon receipt by the Secretary. Except in the case of injury, illness or similar circumstances, more than three (3) consecutive absences from regular meetings of the Board of Directors by any Director shall empower the other Directors, to the fullest extent permitted by law, to immediately remove the absent Director, effective as of the conclusion of the last missed meeting. In the event a Director ceases to be an Owner of a Lot or have an interest in a Lot, the directorship shall immediately and automatically terminate. To the fullest extent permitted by law, no Director shall continue to serve on the Board should such Director be more than thirty (30) days delinquent in the payment of an Assessment and said delinquency shall automatically constitute a resignation effective when such resignation is accepted by the Board of Directors.

Section 3.6 Regular Meetings. The Board of Directors shall establish a schedule of regular meetings to be held at such time and place as the Board of Directors may designate. Notice of such regular meetings shall nevertheless be given to each Director personally, or by mail, telephone or facsimile, at least five (5) days prior to the day named for such meeting.

Section 3.7 Special Meetings. Special meetings of the Board of Directors may be called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director, given personally or by mail, telephone or facsimile, which notice shall state the time, place (as provided herein) and purpose of the meeting.

Section 3.8 Waiver of Notice. Before or at any meeting of the Board of Directors, 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 a waiver of notice by the Director of the time and place thereof, except when a Director attends for the express purpose of objecting to lack of notice. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.9 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of all the Directors shall constitute a quorum for the transaction of business, and every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. If at any meeting of the Board of Directors, there should 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 3.10 Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds, and all other persons designated by the Declaration,

furnish adequate fidelity bonds or coverage. The premiums on such bonds or coverage shall be paid by the Association.

Section 3.11 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. These powers shall include the following:

(A) To make assessments as authorized by the Declaration and to collect, use and expend the assessments to carry out the purposes and powers of the Association;

(B) To employ, dismiss and control a manager, an independent contractor, or such other personnel, including attorneys, accountants, contractors and other professionals, as they deem necessary, prescribe their duties, and delegate, to the extent permitted by law, such powers as they deem advisable to the manager (and any such employees or other personnel who may be the employees of a managing agent);

(C) To adopt Rules and Regulations governing the use of the Common Areas and facilities and the personal conduct of the Members and their guests thereon and to establish penalties for the infraction of the Rules and Regulations;

(D) To exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

(E) [RESERVED];

(F) To maintain, repair and make necessary improvements to the Common Areas;

(G) To enforce by legal means, if necessary, the provisions of the Declaration, the Articles of Incorporation, the Bylaws and Rules and Regulations of the Association, and other documents and laws respecting the Association and the Project;

(H) To pay taxes and assessments which are liens against any part of the Project, other than individual Lots, and to assess the same against the Lots subject to such liens;

(I) To pay the cost of all power, water, sewer and other utility services rendered to the Project and not metered and billed to individual Lots;

(J) To select the officers of the Association; and

(K) To suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any Assessment levied by the Association. Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days, for infraction of Rules and Regulations.

Section 3.12 Informal Action. Any action required to be taken at a meeting of the Directors, or any other action which may be taken at such meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Directors.

Section 3.13 Architectural Committee. The Declaration sets forth certain procedures and issues respecting the Architectural Committee for the Association and certain Subcommittees thereof. The Directors shall have the power to implement, if deemed necessary or desirable, any of such provisions but, even absent such an implementation, the provisions of the Declaration dealing with the Architectural Committee and its Subcommittees shall control and be effective.

Section 3.14 Declaration to Control. Certain aspects of the Class B Membership and the rights and obligations of Courtland and of H & O (as respectively defined in the Declaration) are set forth in the Declaration and, to the extent that there is any inconsistency therewith and with these Bylaws, the appropriate provisions of the Declaration shall control. Notwithstanding the foregoing, in the event any of such requirements, agreements, undertakings, etc. are contrary to any of the statutes, rules, regulations or edicts mentioned in Section 8.3 hereof, the appropriate statute, rule, regulation or edict shall control. These Bylaws shall be construed in light of the foregoing with the intention that, to the fullest extent possible, the provisions of the Declaration dealing with Courtland and H & O as aforesaid shall be construed to be consistent with said statutes, rules, regulations or edicts, but if they cannot be, then it is the intention of the initial Board of Directors to qualify at least the portion of this Development consisting of the Courtland Lots (as defined in the Declaration) for approval as set forth in Section 8.3 and thus, the provisions of Section 8.3 shall control.

ARTICLE IV OFFICERS

Section 4.1 Enumeration and Election of Officers. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer. Each officer shall be an Owner of a Lot or, if an Owner is a corporation, partnership, trust or other legal entity, the officer may be a representative thereof. Notwithstanding the foregoing, as long as there is a Class B Membership, each need not be an Owner of a Lot. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 4.2 Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless an officer shall sooner resign, or shall be removed, or otherwise disqualified to serve. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 4.3 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 4.4 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.5 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4.3 of this Article.

Section 4.6 The President. The President shall be the Chief Executive Officer of the Association; shall preside at all meetings of the Members and of the Board of Directors; shall have executive powers and general supervision over the affairs of the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other instruments; and shall co-sign all checks and promissory notes.

Section 4.7 The Vice President. The Vice President shall perform all of the duties of the President in the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of the Vice President from time to time by the Board of Directors.

Section 4.8 The Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

Section 4.9 The Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular meeting, and deliver a copy to each of the Members. The Treasurer shall be allowed to delegate the collection, deposit and disbursement of monies by establishing a reasonable method of accounting which shall be reviewed by the Board of Directors on a monthly basis.

Section 4.10 Initial Officers. The initial officers of the Association shall be:

Jared Evenson	-President
Joseph Hogan	-Vice President
Linda Streeter	-Secretary/Treasurer

who shall serve until their successors are appointed and qualified.

ARTICLE V FISCAL MANAGEMENT

Section 5.1 Depositories. The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time, upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association or a professional management company as may be designated by the Board of Directors.

Section 5.2 Determination of Assessments. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses for the Project ("Common Expenses") and cash requirements for the year. The estimated annual budget shall not include those utility expenses which are the obligation of the individual Owners. The annual budget shall take into account the estimated net available cash income for the year from the operation or use of any of the Common Areas. The annual budget shall provide for a reserve for contingencies for the year and an adequate reserve for

