

**REVISED BYLAWS
OF
HIGH LONESOME RANCH ESTATES PROPERTY OWNERS ASSOCIATION**

Pursuant to the provisions of Arizona Revised Statutes, A.R.S. §10-3101, et seq. and A.R.S. §33-1801, et seq., the above Arizona nonprofit corporation hereby adopts the following Bylaws to replace in their entirety the Bylaws dated 17 December 1999.

Bylaws:

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is High Lonesome Ranch Estates Property Owners Association, hereinafter referred to as the "Association". The principal office of the Association shall be located at 1870 West Prince Road, Suite 47, Tucson, Arizona 86705, but meetings of Members and Directors may be held at such places within the State of Arizona, as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

Section 2.1 "Association" shall mean and refer to High Lonesome Ranch Estates Property Owners Association, an Arizona nonprofit corporation, its successors and assigns.

Section 2.2 "Properties" shall mean and refer to that certain real property described in the Declaration.

Section 2.3 "Common Area" shall mean all real property from time to time owned or controlled by the Association for the common use and enjoyment of the Owners, and all improvements thereto.

Section 2.4 "Lot" shall mean and refer to Lots shown upon the recorded Record of Survey of the Properties with the exception of any areas designated thereon as Common Area. "Lot" shall include lots later annexed in accordance with the Declaration.

Section 2.5 "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 2.6 "Declarant" shall mean and refer to Chicago Title Insurance Company, a Missouri corporation, as Trustee under Trust No. 12,175, and its successors and assigns so designated in writing that acquire more than one (1) undeveloped Lot from the Declarant for the purpose of development.

Section 2.7 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, Restrictions and Easements for High Lonesome Ranch Estates—Unit 1, Lots 7 Through 50, and High Lonesome Ranch Estates Unit II, Lots 52 through 141, as recorded in fee # 001028197 and 010928105 in the Office of the Cochise County Recorder, State of Arizona, as it may be amended from time to time.

Section 2.8 "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.

**ARTICLE III
MEETING OF MEMBERS**

Section 3.1 Annual Meetings. The annual meeting of the Members shall be held during the first quarter of each calendar year at a time and date to be announced, and the first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association. If the day for the annual meeting of the members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

Section 3.2 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, by Declarant, or upon written request of the Members who are entitled to vote one-tenth (1/10) of all of the votes entitled to be cast by the Membership.

Section 3.3 Notice of Meetings. Written notice of each meeting of the Members 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, at least fifteen (15) days, and no more than fifty (50) days, before such meeting to each Member entitled to vote thereafter, 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.

Section 3.4 Quorum. The presence at the meeting of Members entitled to cast twenty-five percent (25%) of the votes of each class of membership shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. Pursuant to ARS 33-1812B, votes cast by absentee ballot or other form of delivery are valid for the purpose of establishing a quorum. If, however, such quorum shall not be present at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present. If the adjournment is for more than thirty (30) days, notice shall be given to each member entitled to vote at the meeting.

Section 3.5 Mail or Absentee Ballots. At all meetings of Members, each Member may vote in person or by Mail or Absentee Ballot which ever applies. Proxies Ballots are not allowed per A.R.S. 33-1812. There shall be one vote per lot per item being voted.

Section 3.6 Member Action Without a Meeting. Unless the Articles provide otherwise, any action required or permitted to be taken by the Members at a meeting may be taken without a meeting, by written consent, as evidenced by one or more written consents describing the action taken, signed by a majority of the Members (or such greater percentage as may be required hereunder or in the Articles or Declaration for the action taken hereunder) and filed with the minutes or corporate records. Action taken by written consent is effective when the last Member (of the number required for the action) signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be described as such in any document.

Any vote of the Members may also be taken without a meeting, by written ballot, if (1) the Association delivers a written ballot to every member entitled to vote on the matter, giving the Member an opportunity to vote for or against the proposed action, and setting forth (a) the proposed action, (b) the number of responses needed to meet quorum requirements, (c) the percentage of approvals needed to approve the matter, and (d) the time by which a ballot must be delivered in order to be counted, which shall be not fewer than three days after the corporation delivered the ballot to the Members; (2) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action; and (3) the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 4.1 Number. The affairs of the Association shall be managed by the Board. The initial Board and each Board thereafter for so long as there is a Class B Member shall consist of three (3) directors appointed by the Class B Membership, who need not be Members of the Association nor Owners of Lots. Commencing with the first annual meeting of the Members when there is no longer a Class B Member, the Board shall consist of, and the voting Members shall elect, five (5) directors, each of whom must be a Member or an individual designated by a corporation, partnership, or other non-individual Member, including Declarant as a Class A Member who owns one (1) or more Lots.

Section 4.2 Term of Office. The directors shall be elected at the annual meeting of the Members, and the term of the directors, shall be staggered three year terms, with three classes of directors, one class being elected each year. At the first annual meeting after the adoption of these Bylaws five directors will be elected: one director for one year, two directors for two years, and two

directors for three years, thus establishing a staggered Board. In succeeding years, all directors shall be elected for three year terms.

Section 4.3 Removal. Any director may be removed from the Board, with or without cause, by a simple majority vote of the Members present in person or by mail or absentee ballot at a meeting of the Members, except that the Declarant shall appoint the directors during the pendency of the Class B Membership as provided in the Declaration, and no director may be removed without Declarant's consent during such time. Any director so removed by the Members shall be replaced by a director elected by the Members. In the event of death, or resignation of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. In order to recall any director a petition signed by 25 percent of the members entitled to vote must be presented to the Board. The Board will call a meeting of members within thirty days from the receipt of a valid petition, in accordance with A.R.S. 33-1813. Mail or absentee ballots will be mailed to all members and counted in the vote.

Section 4.4 Compensation. No director shall receive compensation for any service he may render to the Association that is within his duties as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 5.1 Nomination. All elections of directors will be conducted by absentee or mail ballot. Nominations from the floor are not allowed. Nomination for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members. The Nominating Committee shall send a written request to all members at least 60 days prior to the annual election requesting letters of intent to run for the Board. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among individual Members or individuals designated by corporate, partnership, and other non-individual Members.

Section 5.2 Election. Election to the Board of Directors shall be by secret written ballot. In any such election, every Owner entitled to vote, except those not in good standing due to failure to pay dues or other violations, shall be entitled to cast the number of votes attributable to such Owner multiplied by the number of directors to be elected. Each Owner shall have the right to cumulate the Owner's votes for one (1) candidate or to divide such votes among any number of the candidates. A mail or absentee ballot will be mailed to all members 30 days prior to the annual meeting. Completed ballots can be mailed to the association or brought to the annual meeting.

Section 5.3 Right of Appointment. Notwithstanding the above, the Directors shall, so long as Declarant owns a single lot, be nominated, appointed or removed solely by the Declarant.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 6.1 Regular Meetings. All meetings of the Board Of Directors will be held in accordance with A.R.S 33-1804. Regular meetings of the Board shall be held at least once per year, at such place and hour as may be fixed from time to time by resolution of the Board. All meetings of the association and Board of Directors are open to all members of the association or any person designated by a member in writing as the member's representative and all members or designated representatives so desiring shall be permitted to attend and speak at an appropriate time during the deliberations and proceedings. The Board may place reasonable time restrictions on those persons speaking during the meeting but shall permit a member or member's designated representative to speak before the Board takes formal action on an item under discussion in addition to any other opportunities to speak. Any portion of a 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 and financial information about an individual member of the association, an individual employee of the association or an individual employee of a contractor for the association.

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.

Notice to members of 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 of Directors.

Section 6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days written notice to each director.

Section 6.3 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. 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.

Section 6.4 Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 Powers. In addition to all other powers, the Board of Directors shall have power to:

A. Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

B. Suspend the voting rights and the 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.

C. 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;

D. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

E. Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

F. Grant easements over, across or under the Common Areas for public utilities, ingress, egress and such other purposes as may be deemed advisable by the Board.

Section 7.2 Duties. It shall be the duty of the Board of Directors to:

A. As more fully provided in the Declaration:

1. Fix the amount of the annual assessment against each Lot;

2. Send written notice of each assessment to every Owner subject thereto; and

3. Foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same, provided same is cost effective in the sole discretion of the Board of Directors;

B. Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

C. Procure and maintain liability and hazard insurance on property owned by the Association in the amounts required by the Declaration or otherwise determined by the Board of Directors in their sole discretion;

D. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

E. Cause the Common Area, and any other areas for which the Association is responsible, to be maintained; and

F. Send the information required by Article XIII below to a prospective purchaser of a Lot upon receipt of the required notice of pending sale.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 8.1 Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 8.2 Election of Officers. So long as there is a Class B Member, all officers of the Association shall be appointed and removed by the Class B Member. Thereafter, the officers shall be elected by the Board at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 8.3 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 8.4 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 8.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board, except that so long as there is a Class B Member, officers may be removed only by the Class B Member. 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 therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.6 Vacancies. A vacancy in any office may be filled by appointment by the Board except that any vacancy created by the removal of an officer by the Class B Member shall be filled only by the Class B Member. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 8.7 Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 8.4 of this Article.

Section 8.8 Duties. The duties of the officers are as follows:

A. PRESIDENT The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases,

mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

B. VICE-PRESIDENT The vice-president shall act in the place and stead of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

C. SECRETARY The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; 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.

D. 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 review 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 annual meeting, and deliver a copy of each to the Members. The Treasurer and President may in writing delegate to a professional management company the authority to execute checks for ordinary and necessary operating expenses of the Association. Capital expenses shall require the signature of the Treasurer and President.

ARTICLE IX

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

HEARINGS

In the event the Board shall exercise its right: 1) to suspend voting rights; 2) to suspend the rights of an Owner or his or her family to use the Common Area; or 3) to impose any monetary penalty, the Board shall first give the sanctioned party written notice of the basis for such sanctions, and the sanctioned party shall be granted an opportunity to be heard by the Board. The form of such notice and the specific procedures for the hearing shall be determined by the rules and regulations adopted by Board resolutions.

ARTICLE XI

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum (but not to exceed the maximum rate permitted by Arizona law), and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Lots owned by Declarant are exempt from assessment as provided in the Declaration.

ARTICLE XIII

SALE OF LOT BY OWNER/MEMBER

Each Member is required, by the Declaration, to notify the Association in writing, not less than 10 business days prior to the closing of any sale of such Member's Lot, of the name and address of the purchaser thereof, as well as the scheduled closing date for the sale. The Association shall, upon receipt of such information, mail or otherwise deliver to such purchaser a copy of the Declaration, Bylaws, Association Rules, and a statement containing the following information:

- A. The telephone number of a principal contact for the Association, which may be an officer thereof, a management company employed thereby, or any other person.
- B. The amount of the current regular annual assessment, and the amount of any assessments or fees currently owed by the selling Member;
- C. Whether or not any portion of the Lot or Dwelling Unit thereon is covered by insurance maintained by the Association;
- D. Whether the Association knows of any alterations or improvements to the Lot that violate any provision of the Declaration or Association Rules (and, if so, the nature of those violations);
- E. Whether the Association knows of any violation of the health or building codes with respect to the Lot (and, if so, the nature of those violations); and
- F. The case name and number of any pending litigation filed by the Association against the selling Member with respect to the Lot, and the case name and number of any pending litigation filed by the Member against the Association (except that the Association shall not be required to disclose any information protected by the attorney-client privilege).

ARTICLE XIV

CORPORATE SEAL

The Association shall have a seal in a form approved by the Board.

ARTICLE XV

AMENDMENTS - CONFLICTS

Section 15.1 These Bylaws may be amended by the Board of Directors of the Association, subject to amendment or repeal by the vote of the Owners representing at least seventy-five percent (75%) of the total votes held by the Members. No amendment may conflict with any right reserved unto the Declarant or the Class B Member.

Section 15.2 In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws or the Articles, the Declaration shall control.

ARTICLE XVI

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XVII

NOTICE

All notices, demands, statements or other communications required to be given or served under these Bylaws shall be in writing and shall be deemed to have been duly given and served if delivered personally or sent by U.S. Mail, postage prepaid or, in the case of a notice pursuant to Section 7.1(B) of these Bylaws, registered or certified U.S. Mail, return receipt requested, postage prepaid: (1) if to an Owner, at the address that the Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the Owner's property address within the Property or (ii) if to the Association, the Board or any manager employed by the Association with respect to management of

the Common Areas, at the principal office of the manager or such other address as shall be designated by notice in writing to the Owners, with copies mailed or delivered personally to Declarant and to the Association at its then principal office. A notice given by mail, whether regular, certified, or registered, shall be deemed to have been received by the person to whom the notice is addressed on the earlier of the date the notice is actually received or three (3) days after the notice is mailed. If a Lot is owned by more than one (1) person, notice to one (1) of the Owners of the Lot shall constitute notice to all the Owners of the Lot.

IN WITNESS WHEREOF, I have executed these Bylaws this third day of December 2005.

BY: original Signed by James M. Browning Jr

President

Attest:

BY: - original signed by Terrie M. Gent

Secretary

JAN 06 2006
This is a conformed copy of
Transaction # _____
Christine Rhodes 060100613
Cochise County Recorder