BYLAWS

OF

THE ORCHARDS NO. 2 PROPERTY OWNERS' ASSOCIATION, INC.

Article I

PURPOSE. The purpose of these bylaws is to set forth guidelines consistent with Arizona law and the Declaration of Covenants, Conditions and Restrictions and the Articles of Incorporation which relate to the conduct of the corporation's affairs and business; to govern the management, control and operations of the corporation; and to specify the duties, rights and powers of the corporation and its members, directors, officers and employees. The Orchards No. 2 Property Owners' Association, Inc., a non-profit Arizona corporation, is a property owners' association consisting of owners of real property in the subdivision known as Orchards No. 2 as described in the plat of record in Case 3 of Maps page 91, records of Coconino County, for the general welfare and benefit of the owners of property in the subdivision. The association through its board of directors and officers shall take the appropriate action granted to it by the Declaration of Covenants, Conditions and Restrictions and the Articles of Incorporation and perform all related activities, functions and duties assigned to the association by the Declaration or properly delegated to it by its members.

Article II

APPLICATION OF BYLAWS. All present and future unit owners, mortgagees, lessees and occupants of units, and any other persons who may use any facilities of the property in any manner are subject to the Declaration, the Articles of Incorporation, these Bylaws and all rules made pursuant hereto and any amendment thereto. The acceptance of a deed of conveyance or the entry into of a lease or the act of occupancy of the unit shall constitute an agreement that the provisions of the Declaration, the Articles of Incorporation and these Bylaws, and any rules and regulations made pursuant thereto, as they may be amended from time to time are accepted, ratified and will be complied with.

Article III

BOARD OF DIRECTORS.

A. The board of directors of the association shall consist

of not less than 5, nor more than 7, directors. The directors shall be elected at the annual meeting of the members, from the membership in the association. The terms of the board of directors shall be fixed by the initial board of directors, and the terms may be staggered.

B. Election to the board of directors shall be by ballot of the members. A plurality of the votes cast shall be required to elect. Vacancies on the board shall be filled by a vote of the remaining members of the board, and said elected directors shall hold office until the next annual meeting of the association.

C. Any member of the board who shall absent him or herself from an annual meeting, unless he or she shall present reasons satisfactory to the board, shall be deemed to have resigned and shall cease to be a member of the board. He or she may be reinstated by a majority vote of the board at any regular or special meeting of the board.

D. The board may appoint from time to time, from among its members, an architectural control committee to enforce the duties granted to it under the Restatement and Amendment to Declaration of Restrictions for the Orchards No. 2, and may appoint such other committees as it deems necessary to provide for the general welfare of the members of the association.

E. The board of directors shall have the power to purchase any insurance it deems necessary to provide for the financial protection of the association, its members and board of directors. The premium shall be financed by the annual assessment fixed by the board.

Article IV

OFFICERS.

A. The officers of the association shall be president, vice-president, secretary and treasurer. The offices of secretary and treasurer may be held by the same person.

B. The president or in the absence of the president, the vice-president, shall preside over all meetings of the board of directors and association. In the absence of both the president and vice-president, a temporary chairman shall be elected from among the members present.

C. The president shall be a member ex-officio of all committees.

D. The secretary shall keep a complete record of all proceedings and reports of the board of directors and any committees appointed by the board of directors. The secretary shall send notices of meetings as the same may be required and keep a roll of the association and perform all other duties as usually appertain to the office of secretary.

E. The treasurer shall perform the duties usually assigned to this office and shall make payment of all bills previously approved by the board. In the absence or the incapability of the treasurer, the duties thereof may be delegated by the board to one of its members or to any other person selected by the board.

Article V

MEMBERSHIP.

A. Ownership of one or more of the lots of Orchards No. 2 requires the owner of each lot to become a member of the association. In the event more than one lot is owned by the same individual, firm, partnership or corporation, that individual, firm, partnership or corporation shall be entitled to as many votes as the number of lots owned. In no event may more than one vote be cast for each lot owned.

B. Each owner of one or more lots and each member of the association is subject to all restrictive covenants, conditions, limitations, reservations and agreements contained in the Declaration of Restrictions, Articles of Incorporation and these Bylaws and any amendments or addenda thereto.

Article VI

FEES AND DUES.

A. The association shall be financed by an annual assessment fixed by the board of directors, and the annual assessment shall be in such amount as is deemed reasonable by the board of directors to provide for the general benefit and welfare of the property owner and the association.

B. The annual assessment when fixed by the board of directors shall be payable within 60 days thereafter. In the

event it is not paid, the same shall become a charge against the member in default, and a lien on the real property of such member or members, subject to state and county taxes, mortgages and trust deeds of record. Interest at the rate of two points above the prime interest rate announced from time to time by the Valley National Bank shall be assessed against any assessment not paid within 60 days, and shall be charged from the date of the fixing of the annual assessment by the board of directors.

C. The board of directors shall have the power from time to time to fix such special assessments as it deems necessary to provide for the general welfare of the members and same shall be payable within 60 days thereafter. Same shall become a lien against the real property of the member and bear interest as provided in Article VI(B) above.

D. In the event any annual assessment or special assessment is not paid timely and collection procedures are started, the association shall be entitled to recover all costs of collection including reasonable attorney fees and same shall also become a lien against the real property of the member in default.

Article VII

MEETINGS.

A. The annual meeting of the association for the election of members of the board of directors and the transaction of general business of the association shall be held on the second Tuesday in the month of January at a place to be designated by the president of the association.

B. Special meetings of the association may be called at any time by the president and shall be called by the president or secretary at the request in writing of a majority of the board. Notice of such special meeting shall be given at least 30 days prior to the holding of such meeting and shall state the purpose for which the meeting is called. Special meetings of the association shall be called by the president or secretary at the request in writing of a majority of the homeowners of the association.

C. Notice of the annual meeting or any special meeting shall be given to all members of the association by first class mail addressed to each member at his or her last known place of residence as it appears in the books of the corporation and to be mailed 30 days prior to any such meeting. Such mailings shall be

presumed to have been received seven days prior to the meeting. It shall be the duty of all members to apprise the secretary of their current mailing address.

D. A majority of the members of the association and majority of the members of the board of directors shall constitute a quorum at any meeting of the association or the board of directors.

E. A majority of the members of the association shall constitute a quorum for the purpose of electing a board of directors or the transaction of any other business to come before the annual meeting or any special meeting, except to adjourn, and votes may be cast in person or by proxy.

F. The annual meeting of the board of directors of the corporation shall be held immediately following the adjournment of the annual membership meeting of the corporation and no notice thereof need be given. All officers shall be elected at this meeting, and the terms of the offices may be staggered.

Article VIII

AMENDMENTS. These Bylaws may be amended from time to time by a majority vote of the board of directors, or by the affirmative vote of a two-thirds majority of the membership represented at any meeting specially called for the purpose upon notice given as herein provided for special meetings of the membership, or at any general meeting. No amendments to these Bylaws shall divest any member of the association of title to his or her lot or lots. Nothing in this section shall be construed to prevent the foreclosure of any valid lien obtained by the association against any member.

Article IX

INTERPRETATION. In the event that any provision hereof is inconsistent with or in derogation of the Restatement and Amendment to Declaration of Restrictions for the Orchards No. 2, the provisions of the Declaration shall be deemed to control.

PASSED AND ADOPTED this 12 day of January 1987.
REVISED AND ADOPTED this ___ day of October 2002.
REVISED AND ADOPTED this 25 day of March 2010.