

**BYLAWS
OF
VAQUERO RANCH COMMUNITY ASSOCIATION**

**ARTICLE I
GENERAL**

Section 1: Defined Terms. Capitalized terms used in these Bylaws without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions and Restrictions for Vaquero Ranch, recorded in the Official Records of the Maricopa County Recorder, as may be amended from time to time (the "Declaration").

Section 2: Purpose. The Vaquero Ranch Community Association is an Arizona non-profit corporation organized for the purposes stated in its Articles. The principal office of the corporation shall be located at the place designated in the Articles or such other place as may be designated from time to time pursuant to Arizona law, but meetings of Members and the Board may be held at such places within the State of Arizona, County of Maricopa, as may be designated by the Board.

Section 3: Conflicting Provisions. Should any provision of these Bylaws be inconsistent or conflict with any provision of the Declaration, such provision of the Declaration shall supersede and take precedence over any such provision of these Bylaws. Should any provision of these Bylaws be inconsistent or conflict with any provision of the Articles, such provision of the Articles shall supersede and take precedence over any such provision of these Bylaws.

Section 4: Application of Bylaws. All present and future Owners, occupants and their respective licensees, invitees and employees shall be subject to and be bound by all of the provisions of these Bylaws. The act of ownership or the mere occupancy of a Lot shall establish a conclusive presumption that these Bylaws are accepted, ratified and will be complied with by such Owner or occupant.

Section 5: Designation of Fiscal Year. The fiscal year of the Association shall begin on the 1st 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.

Section 6: Books and Records. The Association shall comply with A.R.S. § 33-1805 with respect to the availability of the Association's financial and other records.

Section 7: Obligation of Association to Disclose Information to Purchasers. Except for a sale of a Lot from the Declarant to a purchaser or an exempt sale pursuant to A.R.S. § 32-2181.02, the Association shall comply with the disclosure requirements set forth in A.R.S. § 33-1806.

Section 8: Indemnification. The Association shall have the power to indemnify its Members, directors, officers, employees and agents to the extent and in the manner provided for in A.R.S. § 10-3101, et seq., as amended from time to time.

Section 9: Captions and Titles. All captions, title or headings of the Articles and Sections in these Bylaws are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent of context thereof. Unless otherwise specified, all references in these Bylaws to Articles or Sections are to Articles and Sections of these Bylaws.

ARTICLE II MEMBERS

Section 1: Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the first close of escrow of a Lot within the Property at such hour and at such place as may be specified in a written notice of such meeting, and each subsequent regular annual meeting of the Members shall be held each year at such place as may be designated in the written notice of such meeting.

Section 2: Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority of the Board, or upon written request of Members having at least ten percent (10%) of the votes in the Association.

Section 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, or hand-delivering a copy of such notice, not less than ten (10) days nor more than sixty (60) days in advance of the meeting, to each Member, addressed to the Member's address last appearing on the books and records of the Association. All notices shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4: Quorum. The presence of Members (including absentee ballots) entitled to cast ten percent (10%) of the votes of the Association shall constitute a quorum at all meetings of the Members. If a quorum shall not be present at any meeting, the Members entitled to vote who are present at such meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 5: Absentee Ballots. At all meetings of the Members a vote may be cast in person or by absentee ballot. If absentee ballots are used, any action taken at a meeting of the Members shall comply with terms of this Section. The absentee ballot (i) shall set forth each proposed action; (ii) shall provide an opportunity to vote for or against each proposed action; (iii) is valid for only one specified election or meeting of the Members and expires automatically after the completion of the election or meeting; (iv) specifies the time and date by which the ballot must be delivered to the Board in order to be counted, which shall be at least seven (7) days after the date that the Board delivers the unvoted absentee ballot to the Member; and (v) does not authorize another person to cast votes on behalf of the Member. Votes cast by absentee ballot are valid for the purpose of establishing a quorum.

Section 6: Record Date. For any meeting of the Members, the Board shall fix a date as the record date for determining the Members entitled to notice of the meeting. If the Board fails to fix a record date for any meeting of the Members, the record date for determining the Members

entitled to notice of the meeting shall be the business day before the day on which the notice of the meeting is given. The Board shall also fix a date as the record date for determining the Members entitled to vote at a meeting of the Members. If the Board fails to fix such a record date, the Members on the date of the meeting who are otherwise eligible to vote are entitled to vote at the meeting.

A determination of Members entitled to notice of or to vote at a meeting of the Members is effective for any adjournment of the meeting, unless the Board fixed a new date for determining the right to notice or the right to vote. The Board shall fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date that is more than seventy (70) days after the record date for determining Members entitled to notice of the original meeting.

The Board shall fix a date as the record date for the purpose of determining the Members entitled to exercise any rights in respect of any other lawful action of the Members. If a record date is not fixed by the Board, Members at the close of business on the day on which the Board adopts the resolution relating to that record date, or the sixtieth (60th) day before the date of other action, whichever is later, are entitled to exercise those rights.

The record date fixed by the Board under this Section shall not be more than seventy (70) days before the meeting or action requiring a determination of Members. If a court orders a meeting adjourned to another date, the original record date for notice of voting continues in effect.

Section 7: Organization and Conduct of Meeting. All Members attending a meeting of the Members shall register with the Secretary (or such person or persons as may be designated by the Secretary) prior to commencement of the meeting, and all absentee ballots must be filed with the Secretary (or such person or persons as may be designated by the Secretary) prior to commencement of the meeting. After the meeting is called to order by the chair of the meeting, no further absentee ballots shall be accepted. All meetings of the Members will be called to order and chaired by the President of the Association, or if there is no President or if the President is absent or so requests, then by the Vice President. If both the President and Vice President are not present at the meeting, any other officer of the Association or such member of the Association as is appointed by the Board may call the meeting to order and chair the meeting. The chair of the meeting may appoint any person (whether or not a Member of the Association) to act as recording secretary. The chair of the meeting shall have the authority to determine the order of business to be conducted at the meeting and to establish reasonable rules for expediting the business of the meeting.

Section 8: Action by Written Ballot. Any action that the Association may take at any annual, regular or special meeting of the Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter other than election of directors; and (c) specify the time by which a ballot must be delivered to the Association in order to be counted, which time shall not be less than three (3) days after the date that the Association delivers the ballot. Once the Association has

received a written ballot, the ballot may not be revoked. Approval by written ballot pursuant to this Section is valid only if both the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes which would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Section 9: Action by Written Consent. 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 by Members holding at least a majority of the votes in the Association, unless the Declaration, Articles, these Bylaws or applicable law require a different amount of votes. The action shall be evidenced by one or more written consents describing the action taken, signed by those Members representing at least the requisite amount of votes, and delivered to the Association for inclusion in the minutes or filing with the corporate records of the Association.

If not otherwise fixed by the Board pursuant to Section 6 of this Article, the record date for determining Members entitled to take action without a meeting is the date the first Member signs the consent to the action. A consent signed under this Section has the effect of a meeting vote and may be described as such in any document. Written notice of Member approval pursuant to this Section shall be given to all Members who have not signed the written consent. Unless otherwise specified in the consent or consents, the action is effective on the date that the consent or consents are signed by the last Member whose signature results in the requisite amount of the Eligible Votes. Any Member may revoke the Member's consent by delivering a signed revocation of the consent to the President or Secretary before the date that the consent or consents are signed by the last Member whose signature results in the requisite amount of the Eligible Votes.

Section 10: Voting Requirements. Unless otherwise provided in the governing documents of the Association, if a quorum is present at a meeting of the Members, the affirmative vote of a majority of the votes represented and voting is the act of the Members.

ARTICLE III BOARD OF DIRECTORS

Section 1: Number and Qualification. The business and affairs of this Association shall be initially managed by a Board of three (3) directors. So long as there is a Class B Membership in the Association, the directors appointed by Declarant need not be Members of the Association. After the termination of the Class B Membership in the Association, all directors must be Members of the Association, the number of directors may be increased to five (5) directors, and the number of directors must always be an odd number.

Section 2: Term of Office. So long as there is a Class B Membership in the Association, the directors shall be appointed and may be removed by the Declarant. After the termination of the Class B Membership in the Association, the Members at each annual meeting of the Members shall elect the directors. At the first annual meeting of the Members following the termination of the Class B Membership, at least one (1) director shall be elected for a term of one (1) year; at least (1) director shall be elected for a term of two (2) years; and at least one (1) director shall be

elected for a term of three (3) years, and at each annual meeting thereafter, the Members shall elect at least one (1) director for a term of three (3) years so as to stagger the terms of office of the directors.

Section 3: Removal. Members of the Board may be removed in accordance with A.R.S. § 33-1813.

Section 4: Compensation. No director shall receive compensation for any service it may render to the Association. However, any director may be reimbursed for its actual expenses incurred in the performance of its duties as a director.

Section 5: Action Taken Without a Meeting. Except as otherwise provided by Arizona law, 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 consent of all directors, including without limitation taking emergency action or acting on matters that are allowed to be considered by the Board in a closed meeting. Any action so approved shall have the same effect as though taken at a meeting of the directors. Any action taken by the Board pursuant to this Section shall be effective when the last director signs the consent, unless the consent specifies a different effective date.

Section 6: Vacancies. Except with respect to members appointed by the Declarant, all vacancies in the Board shall be filled by a vote of a majority of the remaining directors, though less than a quorum, or by a sole remaining director. With respect to a vacancy of a director appointed by the Declarant, the Declarant shall fill such vacancy. Any person so elected or appointed shall serve the unexpired portion of the prior director's term.

ARTICLE IV NOMINATION AND ELECTION OF DIRECTORS

Section 1: Nomination. After the termination of the Class B Membership in the Association, nominations for election to the Board may be made from the floor at the annual meeting by any Member not in default. Nominations may also be made by a nominating committee, which shall consist of a chairman, who shall be a Member of the Board, and two (2) or more Members of the Association. The nominating committee would be appointed by the Board at least forty-five (45) days prior to each annual meeting and shall serve until such annual meeting has been concluded. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2: Election. Election to the Board of Directors shall be by secret written ballot or oral vote. Those candidates for election to the Board receiving the greatest percentage of votes cast at the meeting (or cast by mail, if the election is conducted by mail) shall be elected. While Class B Membership is in effect, the Class B Members shall appoint all Directors without any vote therefor being held.

ARTICLE V
MEETINGS OF DIRECTORS

Section 1: Meetings. If the time and place of a meeting of the Board is fixed by the Board, the meeting is a regular meeting. All other meetings of the Board are special meetings. Regular meetings of the Board may be held with or without notice to the directors of the date, time, place or purpose of the meeting. All meetings of the Board of Directors shall be open to the Members. Notice of all meetings (other than emergency meetings) of the Board of Directors shall be provided to the Members as set forth herein.

Special meetings of the Board may be called by the President on two (2) business days' notice to each director, given in writing, by hand delivery, mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors.

A director's attendance at or participation in a meeting waives any required notice to the director of the meeting, unless the director at the beginning of the meeting or promptly on the director's arrival at the meeting objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

A director may participate in a regular or special meeting of the Board through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting, and a director participating in a meeting by such means is deemed to be present in person at the meeting.

Notice of meetings of the Board shall be given to the Members of the Association within such time and in such manner as is required by law.

Section 2: Quorum and Voting. A majority of the prescribed number of directors shall constitute a quorum for the transaction of business. If a quorum is present when a meeting is convened, the quorum shall be deemed to exist until the meeting is adjourned, notwithstanding the departure of one or more directors. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board, unless the Articles or Bylaws require the vote of a greater number of directors.

A director who is present at a meeting of the Board when corporate action is taken is deemed to have assented to the action taken unless either: (a) the director objects at the beginning of the meeting or promptly on the director's arrival to holding it or transacting business at the meeting; (b) the director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (c) the director delivers written notice of the director's dissent or abstention to the presiding officer of the meeting before its adjournment or to the Association before 5:00 P.M. on the next business day after the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

A director may vote in person or by proxy. A director may appoint a proxy to vote or otherwise act for the director by signing an appointment form, either personally or by the director's attorney-in-fact. The appointment does not relieve the director of liability for acts or omissions imposed by law on directors. An appointment of a proxy is effective when received by the Secretary. An appointment is valid for one (1) month unless a different period is expressly provided in the appointment form. An appointment of a proxy is revocable by the director. The death or incapacity of a director appointing a proxy shall not affect the right of the Association to accept the proxy's authority unless written notice of death or incapacity is received by the Secretary before the proxy exercises its authority under the appointment. Subject to any express limitation on the proxy's authority appearing on the face of the appointment form, the Association is entitled to accept the proxy's vote or other action as the vote of the director making the appointment.

Section 3: Powers. The Board shall have all of the powers necessary for the administration of the affairs of the Association and may do all such acts and things as are not required by the Declaration, Articles or their Bylaws to be exercised or done by the Members. In addition to the duties imposed by these Bylaws or by any resolution of the Members that may hereafter be adopted, the Board shall have the following powers:

- (a) Elect and remove the Officers of the Association;
- (b) Adopt and publish rules and regulations governing the use of the Common Areas and related facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (c) Suspend the rights of a Member to vote and to use the Common Areas 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 published rules and regulations promulgated by the Board;
- (d) Engage the services of an agent to manage the maintenance, repair, and replacement of the Common Areas, or any part thereof, for the Association, upon such terms and for such compensation as the Board may approve ("Agent"). Any agreement for the services of any such Agent shall provide for termination by the Association with or without cause, and without payment of a termination fee, upon thirty (30) days written notice, and no such agreement shall be for a duration in excess of one (1) year, renewable by agreement of the parties for successive one (1) year periods;
- (e) Make repairs within the individual Lots where such repairs are required for the welfare or safety of other Lot Owners or for the preservation or protection of the Common Areas;
- (f) Grant or relocate easements over, access to or through the Common Areas as the Board may determine to be beneficial to the Members;

- (g) Declare the office of a director of the Board (unless such director was elected or appointed by the Class B Member) to be vacant in the event such director shall be absent from three (3) consecutive regular meetings of the Board;
- (h) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Members by other provisions of the Bylaws, the Articles, or the Declaration; and
- (i) Impose reasonable charges for the late payment of assessments, and, after notice and an opportunity to be heard, impose reasonable monetary penalties on members for violations of the Declaration, the Bylaws, the Articles or any rules of the Association. Charges for late payments and penalties shall be enforceable in the same manner as unpaid assessments.

Section 4: Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept complete and correct books and records of account and records of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by at least twenty-five percent (25%) of the Class A Members who are entitled to vote;
- (b) Supervise all officers, agents and employees of the Association and see that their duties are properly performed;
- (c) As more fully provided in the Declaration:
 - (1) Administer, operate, maintain and repair the Common Areas;
 - (2) Determine the Common Expenses of the Association at least thirty (30) days in advance of each annual assessment period;
 - (3) Send written notice of each Member's proportionate share of the Common Expenses to every Member subject thereto; and
 - (4) Bring an action at law against any Owner personally obligated to pay any delinquent assessment, and/or foreclose the lien for delinquent assessments against the subject Lot.
- (d) Issue, or cause an appropriate Officer or Agent to issue, within seven business days after receipt of written request by an Owner, an Owner's lienholder or other Person designated by an Owner, a statement complying with A.R.S. Section 33-1807.I., setting forth the amount of any unpaid assessment against the Owner's Lot. A reasonable charge may be made by the Board or Agent for the issuance of such a statement;

- (e) Procure and maintain adequate casualty and liability insurance as more fully provided in the Declaration; and
- (f) Open bank accounts on behalf of the Association and designate the signatories thereon.

ARTICLE VI OFFICERS AND THEIR DUTIES

Section 1: Enumeration of Officers. The officers of this Association (the “Officers”) 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 provide for by resolution.

Section 2: Election of Officers. The election of Officers shall take place at the first meeting of the Board of Directors, held no later than sixty (60) days following each annual meeting of the Members.

Section 3: Term. The Officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless such Officer shall sooner resign, or shall be removed or otherwise be disqualified to serve.

Section 4: Special Appointments. The Board may elect such other Officers as the affairs of the Association may require, each of who shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5: Resignation and Removal. The Board may remove any Officer from office with or without cause. 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 6: Vacancies. A vacancy in any office may be filled by appointment by a majority of the remaining Directors though less than a quorum. The Director or Officer appointed to such vacancy shall serve for the remainder of the term of the Director or Officer replaced.

Section 7: Duties. The duties of the Officers are as follows:

- (a) **President** – The President shall be the chief executive officer of the Association and shall supervise all of the business and affairs of the Association. He shall, when present, preside at all meetings of the Members and all meetings of the Board of Directors. He may sign, with or without any other Officer of the Association as authorized by the Board, deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except where the signing and execution thereof shall be expressly delegated by the Board or by

these Bylaws to some other Officer or Agent of the Association or shall be required by law to be otherwise signed or executed. He shall have the power to appoint and remove one or more administrative Vice Presidents of the Association and such other assistants to the various elected Officers of the Association as is necessary for the accomplishment of their duties. In general, he shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board.

- (b) **Vice President** – In the absence of the President, or in the event of his death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. Otherwise, the Vice Presidents shall perform only such duties as may be assigned by the President or by the Board.
- (c) **Secretary** – The Secretary shall keep the minutes of all meetings and proceedings of the Board of Directors and the minutes of all meetings of the Members in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws, or as required by law; be custodian of the records and see that the documents are properly executed when such is duly authorized; keep or cause to be kept under its general supervision by a registrar or Agent appointed by the Board, a register of the name and post office address of each Member as furnished by such Member; have general charge of the books of the Association; and in general perform all duties incident to the office of the Secretary and such other duties as may be assigned by the President or by the Board.
- (d) **Treasurer** - The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all monies in the name of the Association in such banks, trust companies or other depositories as shall be directed by the Board; shall sign all checks and promissory notes of the Association, except in those instances where the Board has delegated the authority to sign checks to an Agent employed by the Association; shall keep proper books of account; shall cause an annual audit or review of the books of the Association 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 Members at the regular annual meeting of the Members, and shall deliver a copy of such to the Members; and shall perform such other duties incident to the office of Treasurer.

Section 8: Committees. The Board shall appoint committees, as the Board may deem appropriate to carry out the purposes of the Association.

**ARTICLE VII
ASSESSMENTS**

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments that are secured by a continuing lien upon the property against which the assessment is made. Any assessments that are not paid as provided in the Declaration shall be delinquent. No Owner shall waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of its Lot.

**ARTICLE VIII
MONETARY PENALTIES**

Section 1: Power of Board of Directors to Impose Monetary Penalties. In accordance with the procedures set forth in this Article, the Board shall have the right to impose reasonable monetary penalties, not in excess of that allowed under applicable law, against any Owner for a violation of any provisions of the governing documents of the Association by the Owner, such Owner's family, tenants or guests. Any monetary penalty imposed by the Board shall be imposed only after the procedures set forth in this Article have been complied with.

Section 2: Notice of Violation.

The Board, or any person designated by the Board, may serve a "Notice of Violation" against an Owner for a violation of any provision of the governing documents of the Association by the Owner, such Owner's family, tenants or guest. A Notice of Violation shall contain (a) a description of the violation, (b) the approximate time and place at which the violation was observed, (c) the amount of the fine to be paid by the Owner for such violation, (d) the name of the person issuing the Notice of Violation, and (e) a statement advising the Owner of the Owner's right to request a hearing pursuant to these Bylaws.

A Notice of Violation shall be deemed to have been served if delivered personally to the Owner named in the Notice of Violation or sent to the Owner by registered or certified United States mail, return receipt requested, postage prepaid. A Notice of Violation served by mail shall be deemed to have been received by the Owner to whom the notice was addressed on the earlier of the date the notice is actually received or three (3) days after the notice is deposited in the United States mail. A Notice of Violation given by mail shall be addressed to the Owner at the address of the Owner as shown on the records of the Association. If a Lot is owned by more than one person or entity, a Notice of Violation to one of the joint Owners shall constitute notice to all of the joint Owners.

The Owner shall pay the fine set forth in the Notice of Violation to the Association within ten (10) days after the Notice of Violation is served on the Owner unless prior to that time the Owner requests a hearing on the violation pursuant to these Bylaws.

Any Owner served with a Notice of Violation may request a hearing on the violation. The request for a hearing must be addressed to the Secretary of the Association and must be actually received by the Association within ten (10) days after the service of the Notice of Violation. Upon receipt of a request for a hearing pursuant to this Section, the President or any other officer

of the Association shall schedule a hearing on the violation before the Board or before a hearing officer or a committee approved by the Board and shall notify the Owner requesting the hearing of the date, time and place of the hearing. The notice of the hearing shall also advise the Owner of the Owner's right to produce statements, evidence and witnesses on the Owner's behalf and to be represented at the hearing by an attorney. If the hearing on the violation is before the Board, then the minutes of the meeting of the Board at which the hearing is held shall reflect the fact that the hearing on the violation was held and the action taken by the Board on the violation. If the hearing is held before a hearing officer or a committee appointed by the Board, then the hearing officer of the committee conducting the hearing shall, within ten (10) days after the conclusion of the hearing, make a written recommendation to the Board on what action the Board should take in the violation. Upon receipt of the recommendation from the hearing officer or the committee, the Board shall act upon the recommendation. Any fine which is affirmed by the Board following a hearing pursuant to this Section shall be paid by the offending Owner within ten (10) days after a notice of the action of the Board is served upon the Owner. Service of the notice from the Board shall be made in the same manner as service of a Notice of Violation pursuant to these Bylaws.

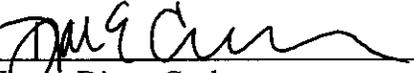
Any fines imposed pursuant to this Article shall be the joint and several liability of all of the joint Owners of a Lot and shall be secured by the assessment lien set forth in the Declaration.

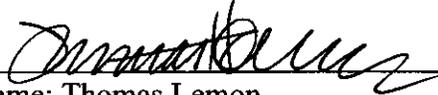
ARTICLE IX AMENDMENTS

The power to alter, amend or repeal these Bylaws is reserved to the Members except that the Board, without a vote of the Members, may amend these Bylaws in order to conform the Bylaws to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration of any federal, state or local government agency whose approval of the Project, the Plat or the Declaration is required by law or requested by the Declarant. These Bylaws may not be amended if such Amendment would be inconsistent with the Declaration or the Articles. So long as the Declarant owns any Lot, any amendment to these Bylaws must be approved in writing by the Declarant.

IN WITNESS WHEREOF, the Directors of Vaquero Ranch Community Association have hereunto set their hands to evidence their adoption of these Bylaws as of this 22ND day of OCTOBER, 2012.


Name: Joan Scarbrough
Title: Director


Name: Diann Curley
Title: Director


Name: Thomas Lemon
Title: Director