

BYLAWS
OF
SCOTTSDALE PRESERVE AUTHORITY

ARTICLE I
CORPORATION ARTICLES

1.01. References to Articles. Any reference herein made to the Corporation's Articles will be deemed to refer to its Articles of Incorporation and all amendments thereto at any given time on file with the Arizona Corporation Commission, together with any and all certificates filed by the Corporation with the Arizona Corporation Commission (or any successor to its functions) pursuant to applicable law.

1.02. Seniority. The Articles shall in all respects be considered senior and superior to these Bylaws, with any inconsistency to be resolved in favor of the Articles, and these Bylaws are deemed to be automatically amended from time to time to eliminate any inconsistency which may then exist.

ARTICLE II
CORPORATE PURPOSE

2.01. Purpose and Accomplishment Thereof. The Corporation has been formed to assist the City of Scottsdale, Arizona (the "City") in providing financing for the benefit of the City of property which is located within the boundaries of the City or which has a substantial connection with the City.

2.02. Property Interest of Directors and Officers. No director or officer of the Corporation shall have any right, title or interest in or to any property or assets of the Corporation, either prior to or at the time of any dissolution or winding up of the affairs of the Corporation, all of which properties and assets at the time of any dissolution or winding up of affairs shall vest in the City, as provided in the Articles of Incorporation of the Corporation.

ARTICLE III

CORPORATE OFFICES

3.01. Known Place of Business. The known place of business of the corporation in the State of Arizona shall be in Scottsdale, Maricopa County, Arizona, unless otherwise designated in the Articles or in a written statement or document duly executed and filed with the Arizona Corporation Commission. The Corporation may have such other offices, either within or without the State of Arizona, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

3.02. Change Thereof. The Board of Directors may from time to time change the Corporation's known place of business or its statutory agent by filing a statement with the Arizona Corporation Commission pursuant to applicable law.

ARTICLE IV

MEMBERSHIP

4.01 Membership. Unless and until these Bylaws are amended to provide otherwise, the Corporation shall not have any members.

ARTICLE V

BOARD OF DIRECTORS

5.01. Membership. The Board of Directors will be comprised of not less than three (3) nor more than nine (9) members. Each Director shall hold office until the next annual meeting of the Board of Directors nearest the date on which the Director's term expires and in any event until a successor shall have been duly qualified and elected. At the annual meeting of the Directors of the Corporation in 1998, and at each annual meeting thereafter, a successor to each of the initial Directors appointed in the Articles of Incorporation and elected at the Organization Meeting of the Corporation shall be elected to serve until the next annual meeting or until his or her successor shall have been elected and shall have qualified. Directors shall be elected by a plurality vote of the members of the Board of Directors present at the meeting concerned. The election of such Directors shall be subject to the approval of the City Council of the City.

5.02 Regular Meetings. The annual meeting of the Board of Directors shall be held on the third Tuesday in the month of January in each year, or the next business day if that day is a legal holiday, at such place and time as the Board shall determine. If any annual meeting is for any reason not held on that date, a deferred annual meeting may be called and held in lieu thereof

at which the same proceedings may be taken. Additional regular meetings may be held at regular intervals at such places and at such times as the Board of Directors may determine.

5.03. Special Meetings. Special meetings of the Board of Directors may be held whenever and wherever called for by the Chairman of the Board, the President or the number of Directors which would be required to constitute a quorum.

5.04. Notices. No notice need be given of regular meetings of the Board of Directors. Notice of the time and place (but not necessarily the purpose or all of the purposes) of any special meeting shall be given to each Director in person or via mail or telegram or telecommunication capable of making a written record addressed to him or her at his or her latest address appearing on the Corporation's records or orally or by telephone. Notice to any Director of any such special meeting will be, deemed given sufficiently in advance when given at least three (3) days prior to the convening of the meeting. Any Director may waive call or notice of any meeting (and any adjournment thereof) at any time before, during or after the meeting is held. Attendance of a Director at any meeting will automatically evidence his or her waiver of call and notice of such meeting (and any adjournment thereof) unless he or she is attending the meeting for the express purpose of objecting to the transaction of business because the meeting has not been properly called or noticed. Any meeting, once properly called and noticed (or as to which call and notice have been waived as aforesaid) and at which a quorum is formed, may be adjourned to another time and place without further notice by a majority of those in attendance.

5.05. Waiver of Notice. Attendance of a Director at a meeting shall constitute waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Director may waive notice of any annual, regular or special meeting of the Board of Directors by executing a written waiver of notice either before or after the time of the meeting.

5.06. Quorum. Three (3) members of the Board of Directors shall constitute a quorum and the concurrence of a majority of a quorum shall be sufficient to conduct the business of the Board of Directors, except as may be otherwise provided by applicable law. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

5.07. Voting. Any matter submitted to a meeting of the Board of Directors shall be resolved by a majority of the votes cast thereon. In the case of equality of votes, the chairman of the meeting will have an additional or deciding vote.

5.08. Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors or of any committee at which action is taken on any matter will be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless he or she files his or her written dissent to such action with the person

acting as secretary of the meeting before the adjournment thereof or forwards such dissent by registered or certified mail to the Secretary of the Corporation within two (2) business days after the adjournment of the meeting. A right to dissent will not be available to a Director who voted in favor of the action.

5.09. Compensation. Neither Directors nor officers shall receive any salary for their services, except that, by resolution of the Board, actual expenses of attendance, if any, may be allowed for attendance at meetings of the Board and at other activities for the benefit of the Corporation.

5.10. Action by Directors Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors or by any committee thereof may be taken without a meeting if all Directors or committee members, as the case may be, consent thereto in writing. Such consent shall have the same effect as a unanimous vote of the Directors or committee members of the Corporation at a meeting duly called and noticed.

5.11. Meetings by Conference Telephone. Any member of the Board of Directors or of a committee thereof may participate in any meeting of the Board or such committee by means of a conference telephone or similar communication equipment whereby all members participating in such meeting can hear one another. Such participation shall constitute attendance in person, unless otherwise stated as provided in Section 5.04 above.

5.12 Removal of Directors. Any Director may be removed from office by an affirmative vote of two-thirds of the Directors at any regular or special meeting called for that purpose for nonfeasance, malfeasance or misfeasance, or for conduct detrimental to the interests of the Corporation. The City Council of the City may remove, for cause, any Director and appoint a successor.

ARTICLE VI

OFFICERS - GENERAL

6.01. Elections and Appointments. The Board of Directors will nominate and elect a President, Secretary, and Treasurer of the Corporation, each of whom shall serve in this capacity for a term of one (1) year, or until a successor is duly elected or appointed. The Board may also elect a Chairman of the Board, one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers or other officers that it deems necessary. The regular election or appointment of the President, Secretary, and Treasurer shall take place at each annual meet of the Board of Directors, but elections of other officers may be held at any other meeting of the Board. A person elected or appointed to any office will continue to hold that until the election or appointment of his or her successor, subject to action earlier taken pursuant to Section 6.03 or 8.01 below. Any two or more offices may be held by the same person, except for the offices of President and Secretary.

6.02. Additional Appointments. In addition to the officers contemplated in Section 6.01 above, the Board of Directors may elect or appoint other officers or agents with such authority to perform such duties as may be prescribed from time to time by the Board of Directors, or by the superior officer of any person so elected or appointed. Each of such persons (in the order designated by the Board) will be vested with all of the powers and charged with all of the duties of his or her superior officer in the event of such superior officer's absence or disability.

6.03. Removal; Delegation of Duties. The Board of Directors may, whenever in its judgment the best interests of the Corporation will be served thereby, remove any officer or agent of the Corporation or temporarily delegate his or her powers and duties to any other officer or to any Director. Such removal or delegation shall be without prejudice to the contract rights if any, of the person so removed or whose powers and duties have been delegated. Election or appointment of an officer or agent shall not of itself create contract rights.

ARTICLE VII

SPECIFIC OFFICERS

7.01. Chairman of the Board. The Chairman, if one has been elected and is serving will preside at all meetings of the Board of Directors and be vested with such other powers and duties as the Board may from time to time delegate to him or her.

7.02. President. If a Chairman of the Board has not been elected or is not serving or is absent, the President will preside at all meetings of the Board of Directors. The President shall sign and execute in the name of the Corporation all contracts and other instruments, except in cases the signing and execution has been delegated by the Board to some other officer or agent of the Corporation, and, in general, perform all duties incident to the office of President, and such other duties as may be assigned by the Board.

7.03. Vice President. One or more Vice Presidents may be elected by the Board of Directors to perform such duties as may be designated by the Board or be assigned or delegated to one or more of them by the President. One Vice President may be vested by the Board with all of the powers and charged with all of the duties of the President in the event of the President's absence or inability to act.

7.04. Secretary. The Secretary will see that the minutes of meetings of the Board of Directors and any committee are kept. and will see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law. The Secretary will be custodian of the corporate seal, if any, and corporate records, and, in general, perform all duties incident to the office. Except as may otherwise be specifically provided in a resolution of the Board of Directors, the Secretary and each Assistant Secretary will be a proper officer to impress the Corporation's seal, if any, on any instrument signed by the President or any other duly authorized person. and

to attest to the same.

7.05. Treasurer. The Treasurer or designated agent of the Treasurer will keep full and accurate accounts of receipts and disbursements in books of account of the Corporation, and will cause all money and other valuable effects to be deposited in the name and to the credit of the Corporation in such depositories, subject to withdrawal in such manner, as may be designated by the Board of Directors. He or she will render to the Chairman (if one is elected and the President, and the Board of Directors at proper times an account of all transactions as Treasurer- and of the financial condition of the Corporation. The Treasurer shall be responsible for preparing and filing such financial reports, financial statements, and returns as may be required by law.

ARTICLE VIII

RESIGNATIONS AND VACANCIES

8.01. Resignations. Any Director or officer may resign from office at any time by written notice delivered or addressed to the Corporation at its known place of business. Any such resignation will be effective upon its receipt by the Corporation unless some later time is therein fixed, and then from that time, the acceptance of a resignation will not be required to make it effective.

8.02. Vacancies. Any vacancy occurring in the Board may be filled by the majority vote of the remaining Directors for the unexpired portion of the term, subject to the approval of the Mayor and City Council of the City of Scottsdale, Arizona. Failure of the Board of Directors to fill vacancies shall not operate to reduce the size of the Board of Directors, but the Directors actually in office shall at any time constitute the Board of Directors. Any vacancy occurring in the Board may be filled by the majority vote of the remaining Directors for the unexpired portion of the term, subject to the approval of the Mayor and City Council of the City of Scottsdale, Arizona. Notwithstanding the foregoing, if the City Council removes a Director for cause, the City Council has the power to appoint a successor.

ARTICLE IX

FINANCIAL TRANSACTIONS

9.01 Nonprofit Operation. The Corporation shall at all times be operated on a nonprofit basis. No director, officer, employee, member of a committee, or any individual shall receive at any time any of the net earnings or pecuniary profits from the operation of the Corporation, and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation.

9.02. Accounting System and Reports. The Board of Directors shall cause to be established and maintained, in accordance with generally accepted principles of accounting, an appropriate accounting system.

9.03. Contracts. Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances.

9.04. Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, employee or employees of the Corporation and in such manner as shall from time to time be determined by resolution of the Board.

9.05. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such bank or banks as the Board may select.

9.06. Fiscal Year The fiscal year of the Corporation shall begin on the first day of July of each and every year and shall end on the last day of June of the following year.

ARTICLE X

SEAL

10.01. Form Thereof. The Board of Directors may provide for a seal of the Corporation which may have inscribed thereon the name of the Corporation, the state and year of its incorporation and the words "Corporate Seal" or such other design as the Board shall designate.

ARTICLE XI

AMENDMENTS

11.01. Procedure. Except to the extent that the right to amend the Bylaws of this Corporation is limited and restricted by resolution of this Corporation, the Board of Directors shall have the power to make, amend, alter or repeal the Bylaws of the Corporation by an affirmative vote of a majority of the Board, provided that such action is taken at a regular or special meeting of the Board. Notwithstanding the foregoing, Sections 2.01, 2.02, 5.07 and 9.01 may not be altered, amended or repealed.

Approved and Adopted by the Board of Directors on February 3, 1997.