

**FIRST AMENDMENT TO BYLAWS
OF
SKYRANCH FLIGHT ASSOCIATION,
an Arizona nonprofit corporation**

The following amendments to the Bylaws ("Bylaws") of the SkyRanch Flight Association, an Arizona nonprofit corporation (the "Association") were duly moved, seconded and approved by majority vote of the Members at a special meeting of the Association held on OCTOBER 5, 2009:

1. **Article V, Section 3 (Proxies) is revoked in its entirety and the following is inserted in lieu thereof:**

Section 3. Ballot. At any meeting of the Members, a Member entitled to vote may vote by ballot executed in writing by the Member. With any notice of meeting given under Article IV, Section 3, the Association shall provide to each Member a ballot in compliance with the following requirements:

- a. The ballot shall set forth each resolution or proposed action;
- b. The ballot shall provide an opportunity to vote for or against each proposed action;
- c. The ballot shall be valid only for one specific election or meeting of the members and expires automatically after the completion of the election or meetings;
- d. The ballot shall specify the time and date by which the ballot must be delivered to the Secretary in order to be counted, which shall be not less than seven (7) days after the date that the Board delivers the unvoted ballot to the Member. If the ballot fails to specify a time and date for delivery, to be counted the ballot must be delivered to the Secretary prior to the commencement of the meeting of the Members;
- e. The ballot shall not authorize another person to cast votes on behalf of the Member; and
- f. The ballot shall contain a verification required to be executed by the Person signing the ballot that such Person is the true Member or has the authority to exercise the vote of the true Member of the Association.

To be valid, a ballot must be signed as provided in section f. above. A ballot may be revoked by a Member at any time prior to the vote taken at the meeting of the Members; and a ballot shall automatically be revoked if the Member casting the ballot appears at the meeting and casts his or her vote in person. Votes cast by ballot are valid for the purpose of establishing a quorum.

All other references to the term "proxy" in the Bylaws are hereby amended to read "ballot."

2. **Section 2 (Term of Office) and Section 4 (Removal)) under Article VI (Board of Directors) are revoked in their entirety and the following are inserted in lieu thereof:**

Section 2. Term of Office. The Board of Directors shall consist of five (5) members. Each director shall be elected to serve a term of two (2) years, and no director shall be elected to not more than two (2) consecutive terms. The terms of the directors shall be staggered, so that three (3) directors will be elected in odd numbered years, and two (2) directors will be elected in even numbered years.

Section 4. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association entitled to vote for the election of directors. In the event of the death, resignation or removal of a director, his/her successor shall be selected by a majority of the remaining members of the Board of Directors even though less than a quorum, or by the remaining director if there be only one. Each person so elected shall serve as director until the next annual meeting of the Members, at which time the Members shall elect a director to start a new term or to fill the unexpired term of his/her predecessor, whichever applies.

3. **Section 1 (Nomination) and Section 2 (Election) under Article VII (Nomination and Election of Directors) are revoked in their entirety and the following are inserted in lieu thereof:**

Section 1. Nominations. Not later than sixty (60) days prior to the date of the annual meeting of the Members, the Board of Directors shall meet as a "Nominating Committee" for the purpose of nominating a slate of qualified candidates to stand for election to the Board of Directors at the next annual meeting of the Members. The slate of candidates nominated by the Nominating Committee shall not exceed the number of openings on the Board of Directors up for election. In addition, any Member in good standing and qualified to vote may nominate one (1) candidate for director by delivering written notice to the Nominating Committee not later than forty (40) days prior to the annual meeting signed by that Member and stating the name of the candidate so nominated. The names of all candidates so nominated shall be placed on the ballot. There shall be no other nominations. Each candidate for the Board of Directors shall be a Member in good standing of the Association.

Section 2. Election and Term. The Board of Directors shall be elected at the annual meeting of the Members or at any special meeting of the Members called for the purpose of electing members of the Board of Directors. Each Member of the Association shall be entitled to cast one (1) vote per membership owned for each open director position, and the candidate(s) with the greatest number of votes shall be elected. Cumulative voting is prohibited. Each director shall serve for the term set forth in Article VI, Section 2 above, and thereafter until his or her successor is duly elected and qualified, or until he or she resigns or is removed in the manner provided herein.

4. **The following sentence is added to the end of Article X, Section 1 (Committees):**

Each member of a committee appointed by the Board of Directors shall be a Member of the Association or the spouse of a Member (or if a Member is a corporation, partnership or trust, a committee member may be an officer, partner, beneficiary or trustee of such Member).

5. **Section 1 under Article XI (Book and Records) is revoked in its entirety and the following is inserted in lieu thereof:**

Section 1. The Association, at all times, shall keep, or cause to be kept books and records of account in accordance with A.R.S. § 10-11601 and generally accepted accounting principles. Each Member in good standing of the Association, or his or her duly authorized agent, shall have the right to inspect and copy Association books and records in accordance with the terms of A.R.S. §§ 10-11601 through 10-11605. In addition, the Association shall comply with the reporting requirements set forth in A.R.S. §§ 10-11620 and 10-11621.

6. **Section 1 under Article XV (Amendments) is revoked in its entirety and the following is inserted in lieu thereof:**

Section 1. These Bylaws may be amended in accordance with the following procedures:

(a) The amendment of the Bylaws shall require:

- (1) the affirmative vote of two-thirds (2/3) of the Board, and
- (2) the affirmative vote of two-thirds (2/3) of all of the Members.

(b) The Association shall notify each Member entitled to vote of the proposed amendment to the Bylaws in accordance with the notice provisions set forth in Article IV, Section 3 of these Bylaws.

7. The following new Article XVII is added to the Bylaws:

ARTICLE XVII

MISCELLANEOUS

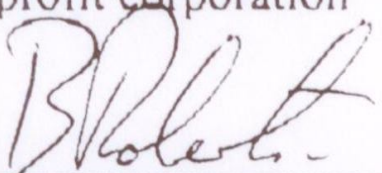
Section 1. Attorney Fees. In the event of a suit, action or arbitration contesting the terms of these Bylaws or the actions of the Association, the Board of Directors, or any officer, the prevailing party in such suit or action shall be entitled to recover its reasonable costs and attorney fees against the non-prevailing party.

Section 2. Guidelines. The Board of Directors shall have the authority to adopt and post guidelines interpreting and implementing the terms of these Bylaws and the Airport Operation and Safety Regulations.

8. Capitalized terms not defined herein shall have the same meaning set forth in the Bylaws.

SKYRANCH FLIGHT ASSOCIATION,
an Arizona nonprofit corporation

By:


Bernard Robertson, President

SKYRANCH FLIGHT ASSOCIATION

An Arizona Nonprofit Corporation

Consent in Lieu of Special Meeting of the
Board of Directors Pursuant to Section 10-3821 of the
General Corporation Law of the State of Arizona

The undersigned, being the Directors of SkyRanch Flight Association, an Arizona nonprofit corporation, acting pursuant to A.R.S. § 10-3821 of the General Corporation Law of the State of Arizona, do hereby consent to the adoption of, and do hereby adopt, the following Resolutions and declare them to be in full force and effect as if they were adopted at a regularly scheduled meeting of the Directors of the Corporation:

WHEREAS, the Corporation deems it desirable to amend and restate its Articles of Incorporation; and

WHEREAS, pursuant to the authority granted to the Board of Directors of the Corporation under A.R.S. §§ 10-11002 and 10-11007, the amendment and restatement to the Articles of Incorporation do not require consent of the Members.

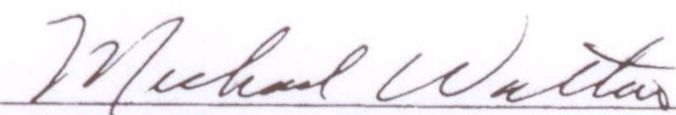
RESOLVED, that the Amended and Restated Articles of Incorporation in the form attached hereto as Exhibit "A" are hereby approved and ratified;

FURTHER RESOLVED, that the Certificate Pursuant to A.R.S. §10-11007(E) in the form attached hereto as Exhibit "B" is hereby approved and ratified; and

FURTHER RESOLVED, that Bernard Robertson, as President of the Corporation, is authorized to execute and file with the Arizona Corporation Commission said Amended and Restated Articles of Incorporation and Certificate Pursuant to A.R.S. §10-11007(E).

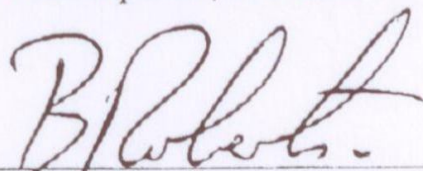
This Consent may be executed in counterparts, each of which is deemed an original, but all of which constitute one and the same instrument. Signatures by facsimile or email shall have the same binding effect as an original signature.

DATED this 14 day of May, 2009.

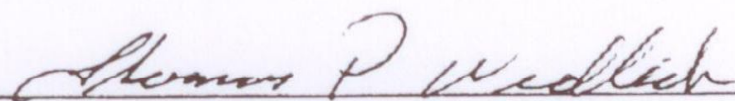

Michael Walton, Director



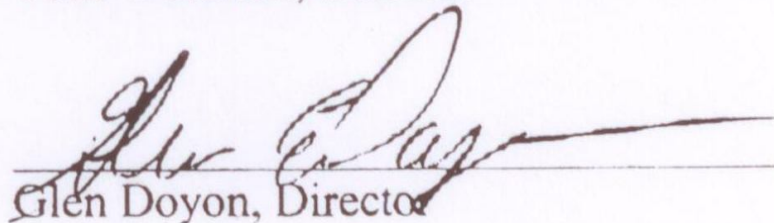
Jack Thompson, Director



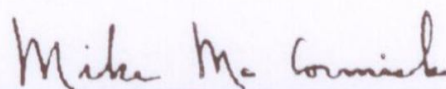
Bernard Robertson, Director



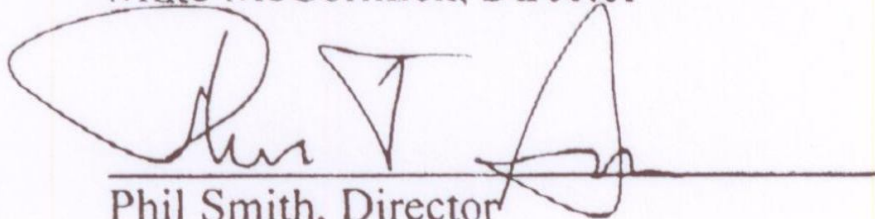
Tom Weidlich, Director



Glen Doyon, Director

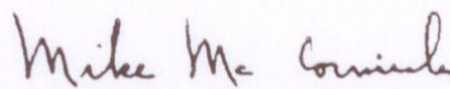


Mike McCormick, Director



Phil Smith, Director

FILED with the undersigned this 14 day of May, 2009.



Mike McCormick, Secretary

EXHIBIT A

AMENDED AND RESTATED ARTICLES OF INCORPORATION FOR SKYRANCH FLIGHT ASSOCIATION

Pursuant to the provisions of A.R.S. §§10-11002 and 10-11007, SkyRanch Flight Association, an Arizona nonprofit corporation, hereby files Amended and Restated Articles of Incorporation.

Article I Name

The name of the corporation shall be SkyRanch Flight Association, an Arizona nonprofit corporation.

Article II Purpose

The corporation shall be a nonprofit corporation under Arizona Revised Statutes, § 10-1001, *et seq.* and Section 501(c)(7) of the Internal Revenue Code, as amended; and the purposes for which the corporation is organized include conducting any or all lawful affairs for which nonprofit corporations may be amended from time to time.

Article III Business

The corporation intends to engage in the business of providing for the orderly recreational and/or permissible utilization and the management of that certain airport property commonly known as SkyRanch at Carefree and/or the Carefree Airport, Carefree, Arizona.

Article IV Membership Corporation

This corporation shall always be and remain a corporation not organized for profit; and no part of the earnings of the corporation shall inure to the benefit of any director or officer of the corporation, or any private individual, except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes. No shares of stock representing an ownership interest shall be issued. The Members of the Association shall be as provided in an Agreement recorded in the Official Records of the Maricopa County Recorder on September 11, 1992, as Instrument No. 92-0509732.

Article V
Statutory Agent

The name and address of the statutory agent of the corporation is: Nearhood Agency Services, Inc., 7537 East McDonald Drive, Scottsdale, Arizona 85250-6062.

Article VI
Place of Business

The place of business of the corporation shall be the Carefree Airport also known as SkyRanch at Carefree, P.O. Box 3162, Carefree, Arizona 85377.

Article VII
Board of Directors

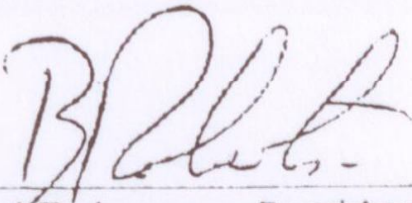
The Board of Directors shall consist of seven (7) persons. The persons who are to serve as directors until their successors are elected and qualify are:

<u>Name</u>	<u>Address</u>
Michael J. Walton	40088 Old Stage Road Cave Creek, Arizona 85331
Bernard Robertson	8502 E. Cave Creek Road, #12 Carefree, Arizona 85377
Phil Smith	P.O. Box 2326 Carefree, Arizona 85377
Tom Weidlich	7525 E. Larkspur Drive Scottsdale, Arizona 85260
Glen Doyon	10752 N. 89 th Place, #117 Scottsdale, Arizona 85260
Jack Thompson	183 Nimbus Drive Telluride, Colorado 81435
Michael McCormick	39429 N. Tom Morris Road Scottsdale, Arizona 85262

Article VIII
Number of Directors

The number of persons to serve on the Board of Directors shall be fixed by the members at the annual meeting or any special meeting called for the purpose, except that the Board of Directors shall always consist of not fewer than three (3) persons.

IN WITNESS WHEREOF, the undersigned President has hereunto affixed his signature this 14th day of May, 2009.

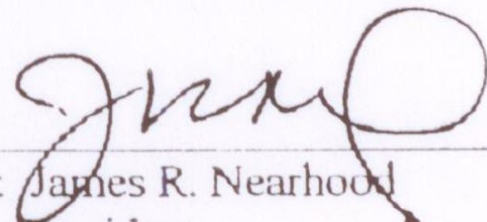


Bernard Robertson, President

**Acceptance of Appointment
By Statutory Agent**

The undersigned hereby acknowledges and accepts the appointment as agent for service of process of the corporation effective this 14th day of May, 2009.

NEARHOOD AGENCY SERVICES, INC.,
an Arizona corporation



By: James R. Nearhood
Its: President

EXHIBIT B

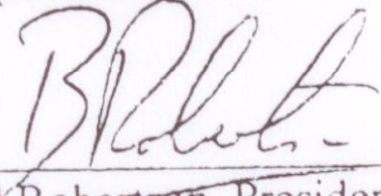
CERTIFICATE PURSUANT TO A.R.S. §10-11007(E) FOR SKYRANCH FLIGHT ASSOCIATION

1. The name of the corporation is: SkyRanch Flight Association.
2. The corporation hereby submits for filing with the Arizona Corporation Commission the foregoing Amended and Restated Articles of Incorporation of the corporation, which includes all amendments to the Articles of Incorporation through the date of filing this document.
3. The Amended and Restated Articles of Incorporation require only the approval of the board of directors, and on May 14, 2009, the board of directors of the corporation adopted a resolution approving the attached Amended and Restated Articles of Incorporation.
4. The Amended and Restated Articles of Incorporation do not contain an amendment to the articles requiring member approval.
5. The Amended and Restated Articles of Incorporation do not require approval by any other person.

DATED this 14th day of May, 2009.

SKYRANCH FLIGHT ASSOCIATION,
an Arizona nonprofit corporation

By:


Bernard Robertson, President