

COPY

BYLAWS
OF
BIMINI TERRACE CONDOMINIUMS ASSOCIATION, INC.

ARTICLE I

NAME

The name of the corporation is BIMINI TERRACE CONDOMINIUMS ASSOCIATION, INC., hereinafter referred to as the Association.

ARTICLE II

PRINCIPAL OFFICE

The principal office of the corporation shall be located in Lake Havasu City, Arizona. The meetings of members and directors may be held at such places in the State of Arizona, County of Mohave, as may be designated by the Board of Directors.

ARTICLE III

DEFINITIONS

(a) "Act" shall mean Sections 33-1201 through 33-1270, Arizona Revised Statutes, pertaining to Condominiums in the State of Arizona.

(b) "Apartment" shall mean a separate freehold estate, consisting of an airspace contained within the boundaries of each such Apartment as follows:

(i) The lower horizontal boundary for all units is the upper surface of the floor thereof.

(ii) The upper horizontal boundary is a horizontal plane, the elevation of which coincides with the elevation of the surface of the finished ceiling or ceilings thereof.

(iii) The lateral boundaries are the interior surfaces of the perimeter walls, windows and doors thereof and vertical planes coincidental with the interior surfaces of the perimeter walls thereof, and the vertical planes coincidental with the outer surfaces of all utility chases extended upward to intersect the upper horizontal boundary.

(iv) Each Apartment includes the surfaces so described, and the portions of the building and improvements lying within said boundaries. Each such Apartment shall also include the heating and air-conditioning unit or units, ranges, garbage disposal units, and other household appliances lying within said boundaries and/or appurtenant areas.

(v) Unless otherwise indicated, all airspace boundary lines intersect at right angles.

(vi) Each Apartment shall also have airspace denominated as parking, and the airspace for each parking space shall consist of airspace for which the upper horizontal boundary is the surface of the ceiling thereof, and the lateral boundaries of which are vertical planes coincidental with the perimeters of the concrete floor or pavement for each parking space.

The following are not part of an Apartment: Bearing walls, columns, vertical supports, roofs, floors, cement slabs, foundations, external stairs, pipes, ducts, flues, front doors, conduits, wires and other utility installations, wherever located, except the outlets thereof when located within the Apartment. In interpreting deeds, plats, declarations and plans the existing physical boundaries of an Apartment or an apartment reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the description expressed in the deed, plat, plan or declaration, regardless of settling or lateral movement of the building, and regardless of minor variances between the boundaries as shown on the plan or in the deed and declaration and those of the building. Each Apartment in each building, as the case may be, shall be deemed to be a separate and distinct Apartment.

(c) "Assessments" shall mean the charges against Owners to defray the Common Expenses as well as miscellaneous special Assessments, special Assessments for capital improvements, and special Assessments for the purpose of restoring and reconstructing the Property in the event of casualty, all as provided in the Declaration.

(d) "Association" shall mean and refer to Bimini Terrace, Inc., an Arizona non-profit corporation, its successors and assigns, formed as an entity through which the owners may act, in accordance with the Arizona Revised Statutes, whose membership shall

include each owner of an Apartment Unit in the Property and whose function shall be to serve as the Association as defined in the Act.

(e) "Association Rules" shall mean and refer to the rules and regulations adopted by the Association pursuant to the Declaration and in furtherance of the Bylaws.

(f) "Board" shall mean the Board of Directors of the Association, elected pursuant to the Bylaws and serving as the governing body of the Association.

(g) "Building" shall mean and refer to each of the Five (5) principal structures containing Condominium Units located on the Parcel and forming part of the Property as shown on the Plat, whether or not such structures are composed of one or more floors or stories.

(h) "Bylaws" shall mean the Bylaws of the Association as such Bylaws may be adopted and amended from time to time.

(i) "Common Area", sometimes referred to as "Common Facilities", shall mean the entire properties except Apartments as defined in (a) above.

(j) "Common Elements" shall mean the entire Property, except the Apartments, including the Limited Common Elements, unless and to the extent otherwise specified, and including without limitation, the following: the Parcel and all landscaping, sidewalks, drives and driveways located thereon; the parking area; all structural components of the Building including support, columns, floors, ceilings, doors, windows, roof and foundation; interior and exterior stairways, entrances and exits, storage areas,

mechanical and electrical rooms; master television antenna system and other communication systems (whether leased or owned); all pipes, ducts, flues, shafts, electrical wiring and conduit, central heating, cooling ventilation and hot water heating and equipment, and all mechanical, electrical, plumbing and fire protection sprinkler systems, fixtures and equipment that are located within or serving all or any portion of the Property (but excluding any pipes, ducts, flues, electrical wiring and conduit and any individual heating, cooling, ventilation, mechanical, electrical or plumbing apparatus, equipment, fixture or component thereof situated entirely within a Unit and/or serving only such Unit) and all other apparatus, fixtures and equipment serving the Common Elements.

(k) "Common Expenses" shall mean the actual and estimated costs for: (a) maintenance, management, operation, repair and replacement of the Common Elements which are maintained by the Association; (b) deficiencies arising by reason of unpaid Assessments; (c) management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and employees; (d) utilities other than separately metered utilities for the Condominium Units, trash pickup and disposal, gardening, pool service, and other related services; (e) insurance and bonds required by this Declaration or any additional insurance and bonds obtained by the Board in its discretion; (f) the establishment of reasonable reserves as the Board shall deem appropriate in its discretion; (g) other miscellaneous charges incurred by the Association or the Board

pursuant to this Declaration, the Bylaws, or Association Rules in furtherance of the purposes of the Association or in discharge of the duties and powers of the Association.

(l) "Common Wall" shall mean the wall or walls which shall separate continuous Apartment.

(m) "Condominium Instruments" shall mean all documents and authorized amendments thereto recorded pursuant to the provisions of the Act, including the Declaration, the Bylaws and the Plat.

(n) "Condominium Unit" shall mean part of the Property, including one or more rooms situated in a Building comprising part of the Property, designed or intended for independent use as a dwelling Unit, together with the Limited Common Elements appurtenant to such Unit and the respective percentage interest in the Common Elements, and any exclusive and non-exclusive easements appurtenant thereto. Each Condominium Unit shall consist of the space enclosed and bounded by the horizontal and vertical planes as shown on the Plat; provided, however, that no component of the security system, if any, master television antenna system, if any, or other communication system, no structural components of the Building in which each Condominium Unit is located, and no pipes, wires, conduits, ducts, flues, shafts or public utility, water or sewer lines situated within such Condominium Unit and forming part of any system serving one or more other Condominium Units and forming part of any system serving one or more other Condominium

Units or the Common Elements shall be deemed part of a Condominium Unit.

(o) "Declarant" shall mean the John T. Webster and Betty A. Webster Family Trust, including its successors and assigns.

(p) "Declaration" shall mean that certain Declaration of Horizontal Property Regime Together With Covenants, Conditions and Restrictions for Bimini Terrace Condominiums dated _____, 2000, as same may from time to time be amended.

(q) "Lender" shall mean: (a) an institutional holder of a first mortgage or first deed of trust on a Condominium Unit which is a bank, savings and loan association, insurance company, established mortgage company, or other entity chartered under state or federal law; and (b) any Person which is a holder of a first mortgage or first deed of trust on a Condominium Unit.

(r) "Limited Common Elements" shall mean and refer to a portion of the Common Elements allocated by the Declaration or in accordance with the Act for the exclusive use and benefit of one or more but fewer than all of the Apartments.

(s) "Member" shall mean any person, corporation, partnership, joint venture or other legal entity who is an owner as provided for herein.

(t) "Occupant" shall mean a Person or Persons, other than an Owner, in possession of a Condominium Unit.

(u) "Owner" shall mean and refer to the recorded Owner, whether one or more persons or entities, of equitable or beneficial title (or legal title if same has merged) of any

Apartment. "Owner" shall include the purchaser under an executory contract for the sale of the real property. The foregoing does not include persons or entities who hold an interest in any Apartment merely as security for the performance of an obligation. Except as stated otherwise herein "Owner" shall not include a lessee or tenant of an apartment, unless the context otherwise requires. "Owner" shall also include the family, invitees, licensees, and lessee of any Owner, together with any other person or parties holding any possessory interest granted by such Owner of any Apartment.

(v) "Parcel" shall mean the real property described in the first recital to the Declaration.

(w) "Parking Rights" shall mean the right to park or store boats, motorcycles or other motor vehicles in a parking space, initially designated on the Plat as appurtenances to specific Apartment. All Apartments have Parking Rights. A Parking Right is a Limited Common Element appurtenant to the Apartment acquiring such right. Parking Rights may be transferred by the Declarant or the Owner with the Apartment or to another Apartment Owner.

(x) "Person" shall mean a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(y) "Plat" means the plat of survey of the Property submitted to this Condominium and showing thereon Twenty-eight (28) Condominium Units, each of which is identified by a number, together with 58 parking spaces, some of which are also designated by a number and shown as initially being appurtenant to specific Units.

(z) "Property" shall mean the Parcel, the Buildings, improvements and permanent fixtures located thereon, and all easements and rights appurtenant thereto.

(aa) "Restrictions" shall mean the covenants, conditions, assessments, easements, liens and restrictions set forth in this Declaration.

(bb) "The Properties" shall mean and refer to all such existing property as are subject to this Declaration.

(cc) "Undivided Interest" shall mean the undivided percentage of ownership in the Common Elements of each Unit Owner set forth in Article V, Section 5 of the Declaration.

(dd) "Unoccupied" with reference to any Apartment or Apartments shall mean any Apartment that has not been constructed or has been constructed but not yet conveyed by Declarant.

ARTICLE IV.

MEMBERSHIP

Section 1. MEMBERS

Every Owner of an apartment which is subject by the covenants of record to assessment shall be a member of the Association. Membership shall appurtenant to and may not be separated from ownership of any Unit which is subject to assessment. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed, or alienated in any way except upon transfer of ownership to such Apartment, or by intestate succession, testamentary disposition, foreclosure of a mortgage of record, or such other legal process

that is now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership shall operate to transfer said membership to the new Owner, and a reasonable charge may be assessed by the Association for each such transfer.

Section 2. ASSESSMENT

The rights of membership are subject to the payment of monthly and special assessments levied by the Association, the obligation of which assessment is imposed against each owner that becomes a lien upon the property against which assessments are to be made as provided by the Declaration and amendment thereto.

Section 3. SUSPENSION

The membership rights of any person whose interest in the properties is subject to assessments under this Article, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors, during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights, and privileges shall be automatically restored. After the Directors have adopted and published rules and regulations governing the use of common properties and facilities and the personal conduct of any person thereon, as provided in these Bylaws, they may, in their discretion, suspend the rights of any such members for violation of such rules and regulations for a period not to exceed SIXTY (60) days.

ARTICLE V

VOTING RIGHTS

All Owners shall be entitled to or vote for each unit Owned. When more than one person holds an interest, all such person shall become Members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit, and fractional votes shall not be allowed.

ARTICLE VI

PROPERTY RIGHTS AND RIGHTS OF
ENJOYMENT OF COMMON PROPERTY

Section 1. MEMBERS

Each member shall be entitled to the use and enjoyment of the common properties and facilities as provided by Deed of Dedication and Declaration of Restriction applicable to the properties.

Section 2. DELEGATION OF USE

Any member may delegate his rights of enjoyment in the common properties and facilities to any of his tenants who occupy the premises under a leasehold interest. Such members shall notify the Secretary in writing of the name of any such person. The rights and privileges of such person are subject to suspension to the same extent as those of the member delegating the right of enjoyment.

ARTICLE VII

ASSOCIATION PURPOSES AND POWERS, RIGHTS AND
DUTIES OF ASSOCIATION AND ITS MEMBERS

Section 1.

The purposes for which the Association has been organized are set forth in Article VI of the Articles of Incorporation.

Section 2.

The Association and its members shall have all the powers, rights, duties and obligations set forth in the Articles of Incorporation for the Association, these Bylaws, rules and regulations pursuant thereto, and recorded restrictions of the property, and as any of the same may be duly adopted or amended.

ARTICLE VIII

DIRECTORS

Section 1. NUMBER

The authorized number of Directors of the corporation shall be not less than **THREE (3)** nor more than **FIVE (5)** until changed by amendment of the Articles of Incorporation or by a Bylaw duly adopted by the members amending this Section of Article VIII of the Bylaws. The exact number of directors of the corporation shall be **THREE (3)** until changed, within the limits specified in the Articles of Incorporation or the Bylaws, by a Bylaw or amendment thereof duly adopted by the members or by the Board of Directors.

Section 2. ELECTION

The term of the Directors named in the Articles of Incorporation shall be until the first annual meeting of the Members, or until their successors are duly chosen and qualify. At the expiration of the initial terms of office of each Director, his successor shall be elected to service for a One (1) year term. The Directors shall hold office until their successors have been elected and hold their first meeting, and, thereafter, the Directors shall be elected at the annual meeting of members to be held each year.

Section 3. REMOVAL

Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation, or removal of a Director, such vacancy may be filled by the affirmation vote of a majority of the remaining Directors even though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall serve for the unexpired term of his predecessor.

Section 4. COMPENSATION.

No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. 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 IX

NOMINATION AND ELECTION OF DIRECTORS

Section 1. NOMINATION.

Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. 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 members or non-members. The Board of Directors may serve as the Nominating Committee.

Section 2. ELECTION

Election to the Board of Directors shall be by secret written ballot. At such election each member entitled to vote shall have the right to vote, in person or by proxy, one vote for each Unit owned by him/her for as many persons as there are vacancies to be filled and give one candidate as many votes as the number of directors to be elected multiplied by the number of his Units shall

equal, or to distribute the votes on the same principle among as many candidates as he may see fit. The person receiving the largest number of votes shall be elected.

ARTICLE X

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1.

The Board of Directors shall have power:

(a) To call special meetings of the members whenever it deems necessary and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Article XIV, Section 2:

(b) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever.

(c) To establish, levy and assess, and collect the assessments or charges referred to in Article IV, Section 2.

(d) To adopt and publish rules and regulations governing the use of the Common Properties and facilities and the personal conduct of the members and their invitees thereon.

(e) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to members in the covenants.

(f) In the event that any member of the Board of Directors of this Association shall be absent from Three (3) consecutive regular meetings of the Board of Directors, the Board may by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant.

Section 2.

It shall be the duty of the Board of Directors:

(a) To cause to be kept a complete record 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 is requested in writing by one-fourth (1/4) of the voting membership, as provided in Article XIV Section 2.

(b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

(c) As more fully provided in the Declaration applicable to the Properties:

(1) To fix the amount of the assessment against each Unit for each assessment period at least (30) days in advance of such date or period and, at the same time;

(2) To prepare a roster of the Apartments and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member, and, at the same time;

(3) To send written notice of each assessment to every owner subject thereto.

(d) To issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

(e) To procure and maintain adequate liability and hazard insurance on property owned by the Association.

(f) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) To cause the Common Area to be maintained.

ARTICLE XI

MEETINGS OF DIRECTORS

Section 1. REGULAR MEETINGS.

The first Board of Directors shall meet annually and thereafter, regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meetings fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. SPECIAL MEETING

Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than Three (3) days notice to each director.

Section 3. WAIVERS

The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

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 4. SPECIAL APPOINTMENTS

The Board may elect such other officers as the affairs of the Association may require, each of whom shall such duties as the Board may, from time to time, determine.

Section 5. RESIGNATION AND REMOVAL

Any officer may be removed from office with or without cause by the Board. 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 in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaced.

Section 7. MULTIPLE OFFICES

The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

ARTICLE XII

DUTIES OF OFFICERS

The duties of the offices are as follows:

President (a) The president may 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.

Vice President (b) The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary (c) 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.

Treasurer (d) 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 audit 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.

ARTICLE XIII

COMMITTEES

Section 1. OPTIONAL COMMITTEES

The Board of Directors shall appoint a Nominating Committee, as provided in these Bylaws, and in addition, may appoint other committees as deemed appropriate in carrying out the purposes of the Association such as:

(a) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance,

repair and improvement of the Common Properties, and shall perform such other functions as the Board in its discretion determines.

(b) An Audit Committee which shall supervise annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular meeting. The Treasurer shall be an ex officio member of the Committee.

Section 2. DUTIES

It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE XIV

MEETINGS OF MEMBERS

Section 1. ANNUAL MEETINGS

Regular annual meetings of the members shall be held on the second Saturday of February of each year at the hour of 1:00 p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. SPECIAL MEETINGS

Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written

request of the members who are entitled to vote One-fourth (1/4) of all of the votes of the entire membership.

Section 3. NOTICE OF MEETINGS

Notice of any meetings shall be given to the members by the Secretary. Notice may be given to the member either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the corporation. Each member shall register his address with the Secretary, the notices of meetings shall be mailed to him at such address. Notice of any meeting, regular or special, shall be mailed at least Fifteen (15) days in advance of the meeting and shall set forth in general the nature of the business to be transacted, provided however, that if the business of any meeting shall involve an election or any action governed by the Articles of Incorporation or by the Declaration of Reservations then any such matter shall be specifically referred to in the Notice as required by the appropriate provisions of the Articles of Declaration.

ARTICLE XVIII

AMENDMENTS

Section 1.

These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a quorum of the members present in person or by proxy, provided that those provisions in these Bylaws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of

Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Declaration applicable to the Properties may not be amended except as provided in such Declaration.

Section 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 in the Declaration applicable to the Properties referred to in Section 1 and these Bylaws, the said Declaration shall control. In the case of any conflict in the Declaration applicable to the Properties referred to in Section 1 and these Bylaws, the said Declaration shall control.

READ AND APPROVED this _____ day of _____,
2000.

BETTY A. WEBSTER

JOHN T. WEBSTER

JOHN FINN