

Bylaws

of

The Las Colinas Condominium Owner's
Association, Inc.

The name of the corporation shall be THE LAS COLINAS CONDOMINIUM OWNER'S ASSOCIATION, INC., an Arizona nonprofit corporation (hereinafter referred to as the "Association").

ARTICLE I
OBJECT AND DEFINITIONS

Section 1.1 Purpose. The purpose for which this Association is formed is to govern the condominium property located in Tucson, County of Pima, Arizona, and more particularly described as follows:

See Exhibit A attached hereto and by this reference made a part hereof.

The above-described property has been submitted to the provisions of the Horizontal Property Regimes Act of the State of Arizona by a Declaration entitled Declaration of Grants, Covenants, Conditions, and Restrictions Establishing a Plan for Horizontal Property Regime Ownership of The Las Colinas Condominiums (hereinafter referred to as the "Declaration").

Section 1.2 Assent. All present or future owners, tenants, future tenants, or any other person using the facilities of the project in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the Condominium Units (hereinafter referred to as "Units") of the project or the mere act of occupancy of the Units shall constitute ratification of these Bylaws.

Section 1.3 Definitions. Unless otherwise specified, the following terms shall have the same meaning in these Bylaws as such terms have in the Declaration: Condominium Unit or Units, General Common Elements, Limited Common Elements, Project. The terms Owners and Members as used herein shall be synonymous.

ARTICLE II
MEMBERSHIP, VOTING, MAJORITY OF OWNERS,
QUORUM, PROXIES

Section 2.1. Membership. The total number of memberships shall not exceed the number of Condominium Units. Upon becoming an Owner of a Condominium Unit, any person automatically shall become a member of this Association and shall be subject to the provisions of the Articles of Incorporation and to these Bylaws. Such membership shall terminate without any Association action whenever such person ceases to own a Condominium Unit, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in connection with the Association, nor shall such termination impair any rights or remedies which the Board of Directors of the Association or others may have against such former Owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the

Board of Directors may, if it so elects, issue one membership card to the Owner(s) of a Condominium Unit. Such membership card shall be surrendered whenever ownership of the Condominium Unit designated thereon shall terminate.

Section 2.2 Classes of Membership. There shall be one class of membership.

Section 2.3 Voting Rights. Each member shall have one vote for each Condominium Unit owned by such member.

Section 2.4 Majority of Unit Owners. As used in these Bylaws the term "majority of Unit Owners" shall mean those owners of more than fifty percent (50%) of the Units at the time of such determination as has been created by the Declaration as it is from time to time supplemented pursuant to its terms.

Section 2.5 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a "majority of Unit Owners" as above defined shall constitute a quorum. An affirmative vote of a majority of the Unit Owners present, either in person or by proxy, shall be required to transact business; provided, however, that no business shall be transacted unless a minimum of thirty percent (30%) of all of the Owners, either in person or by proxy, vote affirmatively, and no Director shall be removed unless a majority of Unit Owners vote affirmatively therefor.

Section 2.6 Proxies. Votes may be cast in person or by proxy. Proxies shall be in writing and the signatures must be witnessed or acknowledged. Proxies must be filed with the Secretary before the appointed time of each meeting. No proxy shall be valid for a period longer than 11 months after the date thereof.

Section 2.7 Voting by Mail. The Board of Directors may decide that voting of the members shall be by mail with respect to any properly noticed matter or to any particular election of directors or with respect to adoption of any proposed amendment to the Articles of Incorporation or adoption of a proposed plan of merger, consolidation, or dissolution.

In case of election of Directors by mail, the existing Board of Directors shall nominate candidates and shall advise the Secretary in writing of the names of nominated Directors sufficient to constitute a full Board of Directors and of a date at least 50 days after such advice is given by which all votes are to be received. The Secretary within five days after such advice is given shall give written notice of the number of Directors to be elected and of the names of the nominees to all Owners or co-owners of each membership. The notice shall state that any such Owner or co-owner may nominate an additional candidate or candidates, not to exceed the number of Directors to be elected, by notice in writing to the Secretary at the specified address of the principal office of the corporation, to be received on or before a specified date 15 days from the date the notice is given by the Secretary. Within five days after such specified date the Secretary shall give written notice to all Owners or co-owners of a membership, stating the number of Directors to be elected, stating the names of all persons nominated by the Board of Directors and by the members on or before said specified date, stating that each Owner or co-owner may cast a vote by mail and stating the date established by the Board of Directors by which such votes must be received by the Secretary at the address of the principal office of the corporation, which shall be specified in the notice. Votes received after that date shall not be effective. All persons elected as Directors pursuant to such an election by mail by receipt of the number of votes required by applicable law shall take office effective on the date specified in the notice for receipt of such votes.

In the case of a vote by mail relating to any properly noticed matter or to any proposed amendment to the Articles of Incorporation or adoption of a proposed plan of merger, consolidation, or dissolution, the Secretary shall give written notice to all Owners or co-owners of each membership which notice shall include a proposed written resolution setting forth a description of the proposed action, and shall state that such persons are entitled to vote by mail for or against such proposal and stating a date not less than 20 days after the date such notice shall have been given on or before which all votes must be received and stating that they must be sent to the specified address of the principal office of the corporation. Votes received after that date shall not be effective. Any such proposal shall be adopted if approved by the affirmative vote of not less than two-thirds of the votes entitled to be cast on such question.

Delivery of a vote in writing to the principal office of the corporation shall be equivalent to receipt of a vote by mail at such address for the purpose of this Section 2.7.

ARTICLE III

ADMINISTRATION, MEETINGS OF MEMBERS

Section 3.1 Association Responsibilities. The Owners of the Units will constitute the Association, who will have the responsibility of administering the project through a Board of Directors.

Section 3.2 Place of Meetings. Meetings of the Association shall be held at such place as the Board of Directors may determine.

Section 3.3 Annual Meetings. The annual meetings of the Association shall be held on the third Saturday in January in each year. The first annual meeting shall be held on January 19, 1980. At each annual meeting directors shall be elected by ballot of the Owners in accordance with, and except as otherwise provided in, the requirements of Section 4.5 of these Bylaws. The Owners may also transact such other business of the Association as may properly come before them.

Section 3.4 Special Meetings. The President shall call a special meeting of the Owners when so directed by resolution of the Board of Directors or upon presentation to the Secretary of a petition signed by a majority of the Owners. No business shall be transacted at a special meeting except as stated in the notice unless by consent of the Owners of three-fourths of the Units, either in person or by proxy.

Section 3.5 Notices. Notices of annual and special meetings shall be given by the President or Secretary of the Association by regular mail addressed to the registered addresses of the Owners of the Units at least five days prior to the date set for such meeting. Any such notice shall state the date, time, and place of the meeting, and if the meeting is a special meeting, the purposes thereof. Waiver of notice, either in person or by proxy, and signed either before, at, or after any meeting, shall be a valid substitute for service. The certificate of the President or Secretary that notice was duly given shall be prima facie evidence thereof.

Section 3.6 Adjourned Meeting. If any meeting of the Owners cannot be organized because a quorum has not attended, the Owners who are present either in person or by proxy may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 3.7 Order of Business. The order of business at all meetings of the Owners of Units shall be as follows:

- A. Roll call.
- B. Proof of notice of meeting or waiver of notice.
- C. Reading of minutes of preceding meeting.
- D. Reports of officers.
- E. Reports of committees.
- F. Election of Directors (annual meeting only).
- G. Unfinished business.
- H. New business.

ARTICLE IV

Board of Directors (Powers of Meetings)

Section 4.1 Number and Qualification. The affairs of this Association shall be governed by a Board of Directors composed of not less than three nor more than five persons from among the Unit Owners, except as hereinafter provided. Initially, the Board of Directors of the Association shall be divided into two classes as follows:

Class A Directors: Class A Directors shall hold office until the 3rd annual meeting of members of the Association.

Class B Directors: Class B Directors shall hold office until the next succeeding annual meeting of members after their election and until their successors have been elected and qualified.

At the 3rd annual meeting of members of the Association, Class A and Class B Directorships shall expire and there shall thereafter be only one class of Directors of the Association who shall hold office until the next succeeding annual meeting of members after their election and until their successors shall have been elected and qualified. Initially there shall be three Directors of the Association, all of whom shall be deemed to be Class A Directors and who shall accordingly hold office until the third annual meeting of members. The members of such initial Board of Directors shall be Larry M. Baker, Gary S. Lovelace, and Victoria M. Pettyjohn.

Section 4.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Condominium Project.

Section 4.3 Other Powers and Duties. The Board of Directors shall be empowered and shall have the following duties:

A. To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration referred to in Section 1.1.

B. To establish, make, and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use, and occupancy of this Condominium Project with the right to amend same from time to time. Such rules and regulations may include provisions regarding the exclusion of any and all animals from the project or the limitation and control thereof. Such rules and regulations may also include provisions regarding the rental of

Units, and the Board shall have the power to designate an exclusive rental agent for such rental.

C. To keep, or cause to be kept, in good order, condition, and repair all of the General and Limited Common Elements and all items of common personal property, if any.

D. To insure and keep insured all of the insurable General Common Elements of the Property (and also fixtures, interior walls and partitions, decorated and finished surfaces of perimeter walls, floors, and ceilings, doors, windows, and other elements or materials comprising a part of the Units) in an amount equal to their maximum replacement value as provided in the Declaration. The Board of Directors shall determine such replacement value at least annually and in so doing may employ such experts as the Board may feel necessary. Further, to obtain and maintain comprehensive liability insurance covering the entire premises. To insure and keep insured all of the fixtures, equipment, and personal property acquired by the Association for the benefit of the Association and the Owners of the Condominium Units and their first mortgagees.

E. To fix, determine, levy, and collect the prorated assessments to be paid by each of the Owners towards the gross expenses of the entire premises and by majority vote of the Board to adjust, decrease, or increase the amount of the assessments. The Board of Directors, or its agent, may establish any reasonable system for collection periodically of common expenses, in advance or arrears as deemed desirable. Initially assessments for the estimated common expenses on an annual basis shall be made by the Board and shall be payable in equal monthly installments in advance on the first day of each calendar month. At the end of each calendar year the Board shall determine actual expenses and either assess each Owner or credit against the next ensuing calendar month, as the case may be. Assessments made shall be based upon the estimated cash requirements deemed to be such aggregate sum as the Board shall from time to time determine to be paid by all of the Owners. Estimated expenses include the costs of maintenance and operation of the General Common Elements, expenses of management, taxes and special assessments unless separately assessed, insurance premiums for insurance coverage as deemed desirable or necessary by the Board, landscaping and care of grounds, common lighting, repairs and renovations, wages, common water and utility charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Board of Directors or the Director under or by reason of this Declaration, payment of any deficit remaining from a previous assessment period, the creation of a reasonable contingency or other reserve or surplus fund as well as other costs and expenses relating to the General Common Elements. All assessments shall be in itemized statement form, shall set forth in reasonable detail the various expenses for which the assessments are being made, and shall be mailed to the registered mailing address of the Owner not later than 10 days prior to the date such assessment is payable.

F. To collect delinquent assessments by suit, foreclosure, or otherwise and to enjoin or seek damages from an Owner as is provided in the Declaration and these Bylaws.

G. To protect and defend the entire premises from loss and damage by suit or otherwise.

H. To borrow funds and to execute all such instruments evidencing such indebtedness. Any such indebtedness shall be the several obligation of all of the Unit Owners only in the same proportion as their interest in the General Common Elements.

I. To enter into contracts within the scope of their duties and powers.

J. To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

K. To keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements and to permit examination thereof by unit Owners or their mortgagees at convenient weekday business hours.

L. To prepare and deliver annually to each Owner a statement showing in at least summary form all receipts, expenses, or disbursements since the last such statement.

M. To meet at least quarterly.

N. To designate and remove personnel necessary for the maintenance, operation, repair, and replacement of the General and Limited Common Elements.

O. On 10 days' notice and for receipt of \$25 from the requesting party to furnish a certificate of the Owner's account setting forth the amount of any unpaid amounts or other charges due and owing from such Owner.

P. In general to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the communal aspect of condominium ownership.

Section 4.4 Management Agent. The Board of Directors may employ for the Association a management agent or director (referred to in the Declaration as the "Managing Agent") at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 4.3 hereof. The employment designation of a manager or management agent shall not relieve the Board of Directors from its responsibility herein pursuant to the Declaration.

Section 4.5 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by the remaining members or member of the class for which there is a vacancy. If there is no remaining member of a class, the other directors shall appoint a director to fill the vacancy, except that prior to the third annual meeting Conversion Concepts, Inc., the Declarant under the Declaration, shall have the sole right to fill vacancies regarding Class A directors.

Section 4.6 Removal of Directors. Prior to the third annual meeting, directors may be removed only by approval of Unit Owners at a regular or special meeting called for that purpose. Thereafter, at any regular meeting or at any special meeting called for that purpose, any one or more of the directors may be removed with or without cause, by a majority of all of the Unit Owners, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been so proposed by the Owners shall be given an opportunity to be heard at the meeting.

Section 4.7 Organization Meeting. The first meeting of a newly elected Board of Directors shall be held immediately following the annual meeting and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting.

Section 4.8 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least four such meetings shall be held during each fiscal year and one such meeting shall be held immediately following the annual meeting of Owners. Notice of regular meetings of the Board of

Directors shall be given to each director, personally or by mail, telephone, or telegraph, at least three days prior to the day named for such meeting.

Section 4.9 Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each director, given personally, or by mail, telephone, or telegraph, which notice shall state the time, place (as hereinabove provided), and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two directors.

Section 4.10 Waiver of Notice. Before, at, or after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by such director of the time and place thereof unless such director attends only for the purpose of objecting to the form or manner of the notice given. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 4.11. Quorum. At all meetings of the Board of Directors, a majority thereof shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4.12 Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

Section 4.13 Director's Fees. Each director shall receive transportation expenses for attendance at any regular or special meeting of the Board of Directors.

ARTICLE V OFFICERS

Section 5.1 Designation. The officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors.

Section 5.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board. Any person may hold concurrently any two offices, except that the same person may not concurrently hold the offices of President and Secretary. The office of Vice-President need not be filled.

Section 5.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, with or without cause, and his or her successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 5.4. President. The President shall be the chief executive officer of the Association and shall be elected from among

the members of the Board of Directors. The President shall preside at all meetings of the Association and the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of a nonprofit corporation including, but not limited to, the power to appoint committees from among the Owners from time to time as the President may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5.5 Vice-President. A Vice-President shall have all the powers and authority and perform all of the functions and duties of the President in the absence of the President or his or her inability for any reason to exercise such powers and functions or perform such duties.

Section 5.6 Secretary. The Secretary shall keep the minutes of meetings of the Board of Directors and minutes of meetings of the Association. The Secretary shall have charge of such books and papers as the Board of Directors may direct, and shall in general perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their registered mailing addresses. Such list shall also show opposite each member's name the number or other appropriate designation of the Unit owned by such member. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

Section 5.7 Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate financial records and books of account of the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer may also serve as Secretary in the event the Secretary and Assistant Secretary are absent.

Section 5.8 Assistant Secretary. The Board of Directors may appoint one or more Assistant Secretaries to perform all of the duties of the Secretary in the absence of the Secretary.

Section 5.9 Assistant Treasurer. The Board of Directors may appoint one or more Assistant Treasurers to perform all of the duties of the Treasurer in the absence of the Treasurer.

ARTICLE VI

INDEMNIFICATION OF OFFICERS AND MANAGERS

Section 6.1 Indemnification. The Association shall indemnify every director or officer, and his or her heirs, executors, and administrators against all loss, costs, and expense, including counsel fees, reasonably incurred by him or her in connection with any action, suit, or proceeding to which he or she may be made a party by reason of his or her being or having been a director or officer of the Association, except as to matters as to which he or she shall be finally adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his or her duty as such director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, costs, and expense incurred or suffered by the Association by reason or arising out of or in connection with the

foregoing indemnification provisions shall be treated and handled by the Association as common expenses. Nothing contained in this Section 6.1 shall, however, be deemed to obligate the Association to indemnify any member or Owner of a Condominium Unit who is or has been a director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Condominium Declaration for The Las Colinas Condominiums as a member or Owner of a Condominium Unit covered thereby.

ARTICLE VII

OBLIGATIONS OF THE OWNERS

Section 7.1 Assessments. Except as otherwise provided in the Condominium Declaration for The Las Colinas Condominiums, all Owners shall be obligated to pay the monthly assessments imposed by the Association to meet the common expenses, and payment thereof shall be made not later than on the 10th day following the mailing of the monthly statement to the registered mailing address of the Owner. The assessments shall be made pro rata according to percentage interest in and to the General Common Elements and shall be due monthly in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of members, within the meaning of these Bylaws, if, and only if, the Owner shall have fully paid all assessments made or levied against such Owner and the Condominium Unit owned by such Owner.

Section 7.2 Maintenance and Repair.

A. Except as may be provided in the Declaration, every Owner must perform promptly at such Owner's own expense all maintenance and repair work within such Owner's Condominium Unit and limited Common Elements which if omitted would affect the project in its entirety or any part belonging to another Owner.

B. All the repairs of internal installations of the Unit such as water, light, gas, power, sewage, telephones, sanitary installations, doors, windows, window panes, electrical fixtures, and all other accessories, equipment, and fixtures including any air conditioning equipment belonging to the Unit and including appurtenant limited Common Elements shall be at the Owner's expense.

C. An Owner shall be obligated to reimburse the Association or another unit Owner upon receipt of a statement for any expenditures incurred by the Association or other Unit Owner or both in repairing, replacing, or restoring any General Common Elements or the interior or any part of a Condominium Unit damaged as a result of negligent or other tortious conduct of such Owner, a member of his or her family, his or her agent, employee, invitee, licensee, or tenant.

Section 7.3 Mechanics' Lien. Each Owner agrees to indemnify and to hold each of the other Owners harmless from any and all claims of any mechanics' lien filed against other Condominium Units and the appurtenant General Common Elements for labor, materials, services, or other products incorporated in the Owner's Condominium Unit. In the event suit for foreclosure of a mechanics' lien is commenced, then within 90 days thereafter such Owner shall be required to deposit with the Association cash or negotiable securities equal to the amount of such claim plus interest for one year together with the sum of \$100. Such sum or securities shall be held by the Association pending final adjudication or settlement of the claim or litigation. Disbursements of such funds or proceeds shall be made by the Association to insure payment of or on account of such final judgment or settlement. Any deficiency shall be paid forthwith by the subject Owner, and such Owner's failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be

a debt of the Owner and a lien against such Owner's Condominium Unit which may be foreclosed as is provided in Article XII of the Declaration.

Section 7.4 General.

A. Each Owner shall comply strictly with the provisions of the Declaration.

B. Each Owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which The Las Colinas Condominium project was built.

Section 7.5 Use of Units--Internal Changes.

A. Units shall be utilized for such purposes only as may be permitted in the Declaration.

B. No Owner, tenant, or lessee shall use radios, phonographs, television sets, amplifiers, musical instruments, or any other instruments or devices in such manner as may disturb or tend to disturb Owners, tenants, or other occupants of Condominium Units.

C. Owners, tenants, or guests shall not hang garments, rugs, and other materials from the windows or from any of the facades or balconies of a building or any of the improvements.

D. Owners, tenants, or guests shall not throw garbage or trash outside the disposal installations provided for such purposes.

E. No Owner, tenant, or lessee shall install wiring for electrical or telephone installation, television antennae, machines, or air conditioning units on the exterior of the project or that protrude through the walls or the roof of the project except as expressly authorized by the Association.

F. All Owners' automobiles to be parked in the area designated must be registered with the Director's Office and must display a unit "tag" or "decal" which will be provided for such purpose.

G. There shall be no parking in the driveways.

H. The Association assumes no responsibility for damage done to automobiles parked in the designated areas.

I. No motorcycles or other noisy vehicles shall be permitted on the premises. There shall be no storing of vehicles on the premises during the Owner's extended absence.

J. There shall be no repair of vehicles on the premises except emergency repairing or cleaning.

K. The rental of any Unit shall be in accordance with the rules and regulations established for such rental by the Board of Directors, but Owners, subject to these rules and regulations, may enter into rental management agreements with their agents.

L. The Board of Directors shall have the power to establish, make, and enforce compliance with such additional rules and regulations as may be necessary for the operation, use, and occupancy of this condominium project with the right to amend same from time to time. Among those rules and regulations which the Board of Directors may make is the prohibition of the keeping of any animals in any Condominium Unit or within the Common Elements.

M. An Owner shall not make structural modifications or alterations to his, her, its, or their Unit or installations located

therein without the prior written approval of the Board of Directors.

N. No resident of the project shall post any advertisement or posters of any kind in or on the project except as authorized by the Association. This prohibition shall not apply to the Association or to Conversion Concepts, Inc.

Section 7.6 Use of General Common Elements and Limited Common Elements. Each Owner shall use the General Common Elements and the limited Common Elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners.

Section 7.7 Right of Entry.

A. An Owner shall permit the Managing Agent or other person authorized by the Board of Directors the right of access to the Owner's Unit and appurtenant limited Common Elements from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of the Common Elements, or at any time deemed necessary by the Managing Agent or Board of Directors for the making of emergency repairs or to prevent damage to any of the Common Elements.

B. An Owner shall permit other Owners, or their representatives, when so required, to enter such Owner's Unit for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

Section 7.8 Destruction or Obsolescence. Each Owner shall, upon becoming an Owner of a Condominium Unit, execute a power of attorney in favor of the Association, irrevocably appointing the Association attorney in fact to maintain, repair, and improve the building and General and Limited Common Elements, and to deal with the Owner's Condominium Unit upon its destruction or obsolescence and regarding insurance proceeds as is provided in the Declaration. The purpose of such execution shall be more fully to evidence such appointment, but failure to execute such power of attorney shall in no way derogate from the appointment provided in the Declaration.

ARTICLE VIII

BYLAWS

Section 8.1 Amendments. These Bylaws may be amended by the Board of Directors at a duly constituted meeting for such purpose or at a meeting of Owners called for such purpose and approved by Owners representing an aggregate interest of at least seventy-five percent (75%) of the General Common Elements. The notice of such meeting shall contain a summary of the proposed changes or a copy of such proposed changes. No amendment shall serve to shorten the terms of any Director.

ARTICLE IX

MORTGAGES

Section 9.1 Notice to Association. An Owner who mortgages his, her, its, or their Unit shall notify the Association through the Managing Agent, if any, or the President of the Board of Directors, giving the name and address of such Owner's mortgagee. The Association shall maintain such information in a book or list entitled "Mortgagees of Units."

Section 9.2 Notice of Unpaid Assessments. The Association shall at the request of a mortgagee of a Unit report any unpaid assessments due from the Owner of such Unit.

ARTICLE X

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS, AND REQUIRED PROXIES

Section 10.1 Proof of Ownership. Any person on becoming an Owner of a Condominium Unit shall furnish to the Managing Agent or Board of Directors a photocopy or a certified copy of the recorded instrument vesting that person or entity with an interest or ownership, which instrument shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he, she, it, or they be entitled to vote at any annual or at a special meeting of members unless this requirement is first met.

Section 10.2 Registration of Mailing Address. The Owners of each Condominium Unit shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands, and all other communications; and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association, or other legal entity or any combination thereof to be used by the Association. Such registered address of an Owner or Owners shall be furnished by such Owners to the Secretary within five days after transfer of title; such registration shall be in written form and signed by all of the Owners of the Condominium Unit or by such persons as are authorized by law to represent the interests of (all of) the Owners thereof. If no such address is registered or if all of the Owners cannot agree, then the address of the Unit shall be their registered address until another registered address is furnished as permitted under this Section. Registered addresses may be changed from time to time by similar designation.

Section 10.3 Completed Requirement. The requirements contained in this Article shall be first met before an Owner of a Condominium Unit shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

ARTICLE XI

COMPLIANCE

Section 11.1 Arizona Horizontal Property Regimes Act. These Bylaws are intended to comply with the requirements of the Arizona Horizontal Property Regimes Act. If any of these Bylaws conflict with the provisions of said statute, the provisions of the statute will apply.

ARTICLE XII

SERVICES

Section 12.1 Services. The Association shall initially provide the following services to be paid for from regular common assessment, which may be amended or supplemented from time to time by amendment of these Bylaws:

- A. lighting of common areas;
- B. trash removal;
- C. water;
- D. grounds maintenance;

E. sewer service; and

F. snow removal.

ARTICLE XIII
NONPROFIT CORPORATION

Section 13.1 Nondprofit Corporation. This Association is not organized for profit. No member of the Board of Directors, or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of, any member of the Board of Directors. The foregoing, however, shall neither prevent nor restrict the following: (1) reasonable compensation may be paid to any member or director while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) any member or director may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XIV

SEAL

Section 14.1 Seal. The corporate seal shall consist of concentric circles with the name of the corporation and the word "Arizona" between and with the word "Seal" in the center.

ARTICLE XV

Fiscal Year

Section 15.1 Fiscal Year. The fiscal year of the Association shall begin on January 1 and end on December 31.


ARTICLE XVI

Inconsistencies

Section 16.1 Inconsistencies. In the event of any conflict or inconsistency with the Declaration or with the rules, regulations, and requirements of the Federal Home Loan Mortgage Corporation, the terms and provisions of the Declaration and the rules, regulations, and requirements of the Federal Home Loan Mortgage Corporation shall prevail and supersede such conflicting or inconsistent provisions of these Bylaws. Neither the Association, nor the Board of Directors, nor any agent or employee, shall be authorized or empowered to take any action inconsistent with the Declaration.

IN WITNESS WHEREOF, the undersigned have executed these Bylaws at _____, _____, this ___ day of _____ 1979.

BOARD OF MANAGERS:



Larry M. Baker