

Las Colinas

Condominium Owner's Association

1600 N. Wilmot
Tucson, AZ 85712
520-390-2310

Welcome Home!

Dear New Homeowner,

On behalf of the Board of Las Colinas Condominium Owners Association, of which you are our newest member, the community of Las Colinas welcomes you!

Your Association, Board of Directors, and Managing Agent exist for the protection and enhancement of property values. By promoting harmony and equity between owners and providing continued maintenance of common areas your community is, and will remain, a desirable place to live.

As with all Associations, management of your Community is directed by the Governing Documents. Please take the time to read through the Association By-laws, the Articles of Incorporation, the Declaration of Covenants, Conditions & Restrictions (CC&Rs), the Rules and Regulations, and Architectural Guidelines that are enclosed. Your Board of Directors conducts regular meetings for the purpose of communications and oversight. Watch for notices of those meetings and please plan to attend.

Your monthly assessment is due the first of the month, in the amount of:

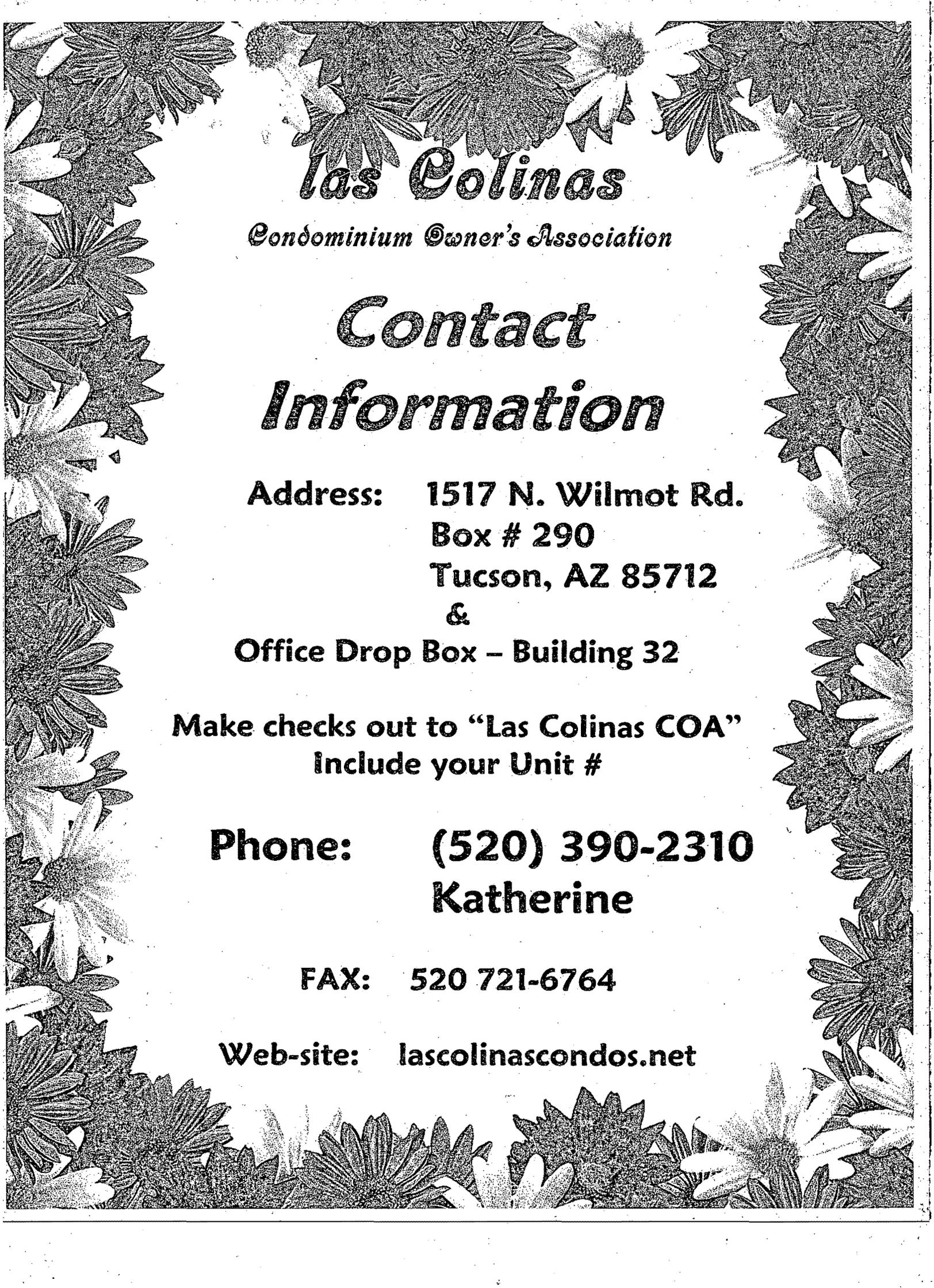
Please make your check payable to "Las Colinas COA" and include your unit number. It may be mailed to 1517 N. Wilmot, # 290, Tucson, AZ 85712. Or, it may be placed in the drop box in front of the office in Building # 32.

We congratulate you on your decision to join the Las Colinas Community and we look forward to meeting you.

If you have any questions, please call Katherine, the Managing Agent, at 390-2310.

Sincerely,

The Board of Directors
Las Colinas Condominium Owners Association

A decorative border of various flowers and leaves surrounds the text. The flowers include daisies and gerberas, and the leaves are broad and pointed.

Las Colinas

Condominium Owner's Association

Contact Information

**Address: 1517 N. Wilmot Rd.
Box # 290
Tucson, AZ 85712
&
Office Drop Box – Building 32**

**Make checks out to “Las Colinas COA”
Include your Unit #**

**Phone: (520) 390-2310
Katherine**

FAX: 520 721-6764

Web-site: lascolinascondos.net

please return

Las Colinas

Homeowners Association

1600 N. Wilmot
Tucson, AZ 85712
520-390-2310

Important!

Dear New Homeowner,

The Las Colinas Condominium Owners Associations's lien policy is in accordance with A.R.S. 33-1201 et.seq. (Arizona Condominium Act) and the Declarations (CC&Rs).

In compliance with A.R.S. 33-1260 (A)(3)(h), which requires all condominiums to include the following statement with all disclosure statement, the purchaser is requested to sign and return the following document in the self addressed, stamped envelope. Please return this document within 14 calendar days after receiving the requested documents.

I hereby acknowledge that the Declaration, Bylaws and Rules of the Association constitutes a contract between the Association and me (the purchaser). By signing this statement, I acknowledge that I have read and understand the Association's contract with me (the purchaser). I also understand that as a matter of Arizona law, if I fail to pay me Association assessments, the Association may foreclose on my property.

Dated: _____

By: _____

Purchaser's signature

Printed Name

Unit #

Sincerely,

The Board of Directors
Las Colinas Condominium Owners Association

Las Colinas

Condominium Owner's Association

1600 N. Wilmot Road
Tucson, AZ 85712
520 390-2310

FAQ

1.) Insurance Requirements?

The Association maintains a blanket hazard policy. To get a proof of insurance or declaration page for your lender, call Randy Jones at 885-5700.

You should carry a Condo Owner's policy for your contents and liability. You may want to call Randy for a quote.

2.) How do I get a Mailbox key?

The mailboxes are the property of the U.S. Postal Service. You must go to the station that serves this property, with I.D. and proof of ownership (such as your copy of the Deed of Trust) to request a key. Our station is Tucson Coronado, 255 N. Rosemont (westside of Rosemont just north of Broadway). As a new owner, your first key is free. If you lose your key, we understand that the replacement cost is \$40.00.

3.) How do I get a Laundry and Pool key?

Las Colinas has three private laundry rooms and two pools. One key opens all of them. Call the office at 390-2310 to arrange to pick up yours. There is no charge for the first key. Please note that the pools are NOT heated.

4.) What rules do you have about cable and satellite service?

COX cable serves this area and the complex is already wired for that service. You can have satellite service if you wish, however the installer may not penetrate our roofs or buildings. Call the office at 390-2310 for more information.

5.) Can you recommend a locksmith?

You may want to have your unit re-keyed. We use Rick's Lockshop, 342-9135 and Kittles Lockshop, 795-1082.

6.) How do I reserve the Clubhouse and/or BBQ?

The Clubhouse is available for private parties, just call the office at 390-2310 to reserve it. There is a \$75.00 deposit that is only cashed if the clubhouse and/or BBQ is not left clean. (There is limited guest parking available.)

The BBQ is Electric, which complies with the Fire Marshal's Requirements. It must be reserved, left clean, and left locked when you are finished.

Las Colinas

Condominium Owner's Association

1600 N. Wilmot
Tucson, AZ 85712
520-390-2310

Welcome New Owners

Las Colinas Wants YOU!!!

We want to meet you! Come to your Homeowner's Association monthly meeting. This is your home, and your Community. Know what is going on! Get involved. Our meetings are usually on Tuesday evening at 7:00 p.m. at the Club House – watch for posted notices. Our Community is what we all make it.

You are now a member of Las Colinas Condominium Owners Association, an Arizona Not-for-Profit Corporation. The Association and property are managed by a Board of Directors, who are dues paying owners, and volunteer their time to serve the Community. Day-to-day affairs are managed by a Board Member, who acts as the Managing Agent (property manager) for the property.

Communities are only as strong as the participation in them. Please join us in making Las Colinas the place we are proud to call home.

How to Contact Us

If you have a question or concern, call Katherine at the office at (520) 390-2310.

If you have a dues payment, request, appeal, or a problem; write it up and put it in the Las Colinas drop-box in front of Building 32, or fax it to the office at 721-6764, or mail it to our office at Las Colinas, 1517 N. Wilmot, Box 290, Tucson, AZ 85712. Architectural requests, appeals, and complaints **MUST BE WRITTEN**.

Las Colinas has a web-site: lascalinascondos.net

And e-mail address: katherine.trimm@cox.net

Report Running Water to the Las Colinas Office 390-2310

If you see, or hear, running water, or your floor is hot, or your ceiling or wall is wet – please call Katherine at the Office right away! We can't fix if you don't call.

Please Verify Your EMERGENCY Info at the Las Colinas Office is Current

Please call the Office and make sure we can reach you in an emergency. This is your responsibility. **Call Katherine at 390-2310 to update.** Landlords are **REQUIRED** by the CC&Rs to provide a copy of the lease and addendums to the office as well. (See the web-site for details.)

Homeowner Maintenance – Required

As a reminder, Homeowners are responsible for maintaining plumbing items including but not limited to: a.) Shower stems, b.) Tub gaskets, c.) Toilet seals, d.) A/C Condensate lines, e.) Grout around tub and floor.

Failure to maintain any of these items can result in thousands of dollars in damages to the Common Area and your neighbors. We have a 10-day letter now that informs Homeowners that they have 10 days to repair; or to prevent further damage, we will cut-off water to their unit. **Remember to maintain your A/C condensate line!**

Water Shut-off Valves Caged

In the interest of preventing the kind of wildcat plumbing violations that have cost almost \$100,000.00 in damages to your common area, your HOA **is in the process of caging the water shut-off valves.** This means, should you need to shut-off the water, you will need to contact the Office (390-2310) during business hours, in advance, so that the Maintenance Supervisor can post notices, inspect your proposed work, and use his key to shut-off the water. **In case of emergency, call the Office (390-2310).**

Reminder NOTICE: New Ceramic Tile Banned on 2nd and 3rd Stories

At the March 2007 Meeting, the HOA Board voted to ban ceramic tile from being installed on the second and third stories. Also, it is a violation of the Plumbing Code to convert a tub/shower into a shower. It is a violation because it can cause thousands of dollars in damages and create health and safety problems. Don't do it!

BBQs on Porches and Balconies Violate the FIRE CODE

Storage of fuel and open flames within 10 feet of the buildings are **ABSOLUTELY FORBIDDEN** by the FIRE MARSHALL. Do NOT store propane or charcoal on your porch or balcony (or in your unit). **Do NOT have open flames on your porch or balcony, or within ten feet of a building. The Fire Marshall doesn't want BBQs on the property at ALL.** He does randomly inspect the property – and he can cite homeowners for violations. The police can make arrests for felony endangerment.

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520 390-2310

PROSPECTIVE BUYERS

Dear Prospective Buyers, Realtors, and Sellers:

As a planned community, Las Colinas Condominium Owners' Association is governed by recorded deed restrictions, Covenants, Conditions, and Restrictions (CC&R's), Bylaws, and Rules and Regulations of the Association. The purpose of these documents is to provide a legal framework with rules to keep Las Colinas a well maintained community and to protect property values for its owners.

It is important prospective buyers are aware that they will be purchasing a unit in a condominium association. As owners they are bound by contract to comply with these governing documents.

These documents are available online at www.lascalinascondos.net, or from the Managing Agent for the Association at (520) 390-2310.

Prospective buyers should be particularly aware:

- 1.) Property acquired AFTER February 15, 2010, may NOT be leased, as set forth in the Recorded Deed Restriction of 2010 banning rentals for property purchased after February 15, 2010, on file with the Pima County Recorder's Office. Failure to comply with the lease policy may result in an initial violation fee of \$2,500.00, and additional daily fines up to \$100.00 per day until the time of compliance.
- 2.) All exterior and interior modifications or changes must be approved by the Board prior to starting work. This includes windows and doors. The **installation of tile is prohibited on the second and third floors.**
- 3.) Washers and dryers in units are prohibited, unless prior approval of the Board has been obtained. Approved units require an additional monthly fee of \$10.00.
- 4.) Pit-bulls/mixes and Rottweilers/mixes are prohibited. Owners with pets must keep them leashed and pick up their waste. Pets may NOT be left on balconies or patios unattended.
- 5.) City ordinances PROHIBIT the use/storage of gas or charcoal grills on patios and balconies. Electric grills are permitted.

(Continued next page)

6.) Unit owners are responsible for all actions and/or damages caused by themselves, their tenants, guests, visitors, family members, and contractors. This includes damage to Association property, roofs and/or other common areas, and damage caused to other units.

7.) Unit owners are responsible for the maintenance of interior plumbing and caulking, A/C units, and electrical service to their unit. When replacing old A/C units, they must be removed properly from the roofs and transported from the property.

8.) Association fees must be paid in full and on time. Unit owners are responsible for making sure the Association has their current contact information.

9.) Las Colinas participates in the Pima County Attorney's Crime Free Multi-Housing Program. Our Community has Zero-Tolerance for all crime, specifically including domestic violence.

We appreciate your commitment to our community.

Sincerely,

The Board of Directors
Las Colinas Condominium Owners Association

Las Colinas Condominium Homeowners Association

Architectural Improvement Application and Review Form

Date Submitted _____

Unit # _____ Name _____

Address _____ Phone _____

Nature of Improvement _____

Color (If Applicable) _____

Location (If Applicable) _____

Dimensions (If Applicable) _____

Construction Material (If Applicable) _____

Supplier _____ Approximate Cost _____

A sketch of all improvements must be attached to show location and dimensions.

SEND TO: LAS COLINAS CONDOMINIUM HOMEOWNERS ASSOCIATION
P.O. BOX 27066
TUCSON, AZ 85726

Signature of Applicant _____

FOR INTERNAL USE ONLY

Date Received _____

Approved By _____ Date _____

CONTINGENT UPON THE FOLLOWING:

1. All necessary permits (City/County) are obtained from the proper agencies.
2. All work is completed in a workmanship-like manner and must be substantially the same as the diagram and/or drawings submitted for approval.
3. _____
4. _____

DISAPPROVED BY _____ Date _____

REASONS FOR DISAPPROVAL _____

Las Colinas

Condominium Owner's Association

1600 N. Wilmot Road
Tucson, AZ 85712
520 390-2310
www.lascolinascondos.net

Rules

Updated September 2011
Additions 9/24/2013, 3/2/2020, 6/22/2021

The authority to develop Rules and Regulations is granted to the Board of Directors in Article IV, Section 4.3B of the Bylaws. The purpose of these Rules and Regulations is to protect, preserve and enhance the property values and living experience at the Las Colinas Condominiums. Your commitment to our Community is greatly appreciated.

It is the responsibility of the owner to see that all tenants, guests, invitees, and contractors are made aware of these Rules, which apply to everyone who resides or uses the facilities within Las Colinas.

SANCTIONS

- A. Clean-up fees beginning in the amount of \$25.00 may be assessed.
- B. Fines beginning in the amount of \$200.00 and increasing by \$100.00 increments for continuing violations will be assessed against those units in violation of these Rules, our Governing documents, or any City Ordinance. Failure to pay the fines can result in late fees, as well as loss of privileges to vote, run for the Board, or use common area facilities, and collection action by the Association's Attorney.
- C. Violation assessments, beginning in the amount of \$2,500.00, may be assessed for serious violations, along with \$100.00 per day until compliance. This is a matter of contract, so if legal fees become required, they can be assessed in addition. Failure to pay will result in legal action by the Association's Attorney.

INJUNCTIVE RELIEF

When it is necessary for the Association to get an injunction against a homeowner, the cost of the injunction will be billed to the owner.

CRIME FREE

- A. Las Colinas is a Crime Free Community. Owners are required under the Governing Documents to observe all Laws and Ordinances, and insure that their family members, tenants, guests, invitees, and contractors do as well.
- B. Las Colinas adopted a Zero-Tolerance Policy for Crime, including Domestic Violence. Suspicious, threats of violence, or violent activity should be reported to the police immediately! Call 911. Please also report such activity to the Association.

DELINQUENCY POLICY

- A. Association fees are due and payable on the first day of every month.
- B. If full payment is not received by the fifteenth day of the month, a late charge of \$25.00 can be assessed against the account, along with 10% interest on unpaid balances.
- C. Failure to pay the statement account can result in additional collection remedies by the Board of Directors. All costs incurred in the collection of the debt will be assessed against the owner's account.
- D. Rules violations and delinquencies can result in loss of use of Homeowner Association facilities, including access to Association purchased water.

INSURANCE

All owners are to maintain a Condominium Owner's policy on their unit for contents and liability. Further, they are required to list the Las Colinas COA as a named insured. This provides notice to the Association if insurance is allowed to lapse. Please advise your insurance carrier to mail or FAX your proof of insurance to the Association.

RESERVE ACCOUNT

The Association shall charge the equivalent of two month's assessments at the time of any sale, to fund the Reserve Account and improvement projects.

VEHICLES, PARKING, AND STORAGE

- A. A notice of violation will be placed on any vehicle that is parked outside of designated parking, in a fire lane, in reserved parking areas within the Las Colinas community or in another resident's assigned parking area. Vehicles so noted will be subject to towing without further notice.
- B. Inoperative vehicles may not be stored or parked anywhere on the property. Flat tires, wrecked or disabled conditions, no plates, expired tags, broken glass, and excessively leaking engine fluids constitute an inoperable vehicle. Such vehicles will be towed, at the owner's expense.
- C. Vehicles which are over 20 feet in length are not permitted to be parked within Las Colinas, as they may create a hazard to other residents and guests attempting to navigate driveways and parking lots within the community. Commercial vans of 1/2 ton or more may not be parked in covered parking spaces.
- D. Parking areas may not be used for anything other than the parking of properly licensed, operable vehicles. The storage of any item or vehicle in the carports or designated parking areas is strictly prohibited.
- E. Vehicle maintenance, including washing of the vehicles, is prohibited.

RULES – Page 3

NOISE

It is impossible to live peacefully in a densely populated environment unless you are willing to demonstrate courtesy toward your neighbors and other residents. Loud noise can be the single most annoying and discourteous experience in condominium living. Please have respect for the peaceful enjoyment of others.

Noise must be kept to a minimum. Be considerate when playing music. Avoid loud noises or disturbances at any time. Report disturbances of the peace to the police. City Ordinance defines noise heard beyond your property line (walls) as too loud.

CHILDREN

- A. Children must be supervised by their parents while on the property. Parents are responsible for any damage caused to or by their children's activities within the complex.

PETS

- A. Domestic pets are permitted to owners at Las Colinas. Farm or barnyard animals are not permitted. Exotic pets must be approved by the Board of Directors.
- B. Any damage to common elements, structures and common areas caused by a resident's pet will be repaired at the unit owner's sole expense. In the event the property is a rental unit, it will be the responsibility of the unit owner to pay for the necessary repairs.
- C. Pets are not permitted to run at large outside of the unit. Pets shall have the necessary licenses, tags, and identification, and shall be leashed at all times.
- D. Pets shall not be tethered or left alone anywhere within the Las Colinas community. Pets must not be left unattended on patios or balconies. Pets must be under the direct control and supervision of their owners at all times.
- E. Barking dogs are considered a nuisance to the peaceful enjoyment of the community. Continuous or after-hours barking will be reported to Animal Control and the Association. Continuing reports of barking dogs will result in violation letters and fines of not less than \$200.00 per incident being levied against the unit owners.
- F. Pet owners must remove all animal waste immediately from common areas. Clean-up costs of no less than \$50.00 will be billed to the unit owner.
- G. Pets are not permitted in the pool areas at any time.
- H. Pitbulls/mixes and rottweilers/mixes are banned from the property, at any time for any reason.

RULES – Page 4

POOL RULES

- A. Hours of Operation are Monday through Sunday 7:00 a.m. to 10:00 p.m.
- B. Children 14 years and younger **MUST** be accompanied by a responsible adult at all times.
- C. Children may not wear diapers or plastic pants in the pools. Proper swimming attire is required for everyone at all times.
- D. No pets are permitted in the pool or pool area at any time.
- E. No food or beverages are permitted in the pool area. No glass items are permitted within the pool area. No alcohol.
- F. No running, rough play or ball games are permitted in the pool area.
- G. Arizona Statute Pool rules are posted at both pool areas, and must be obeyed. Remember, there is no lifeguard on duty. Swim at your own risk.
- H. The Las Colinas pools are for the exclusive use of owners. Guests must be accompanied by an owner or tenant on the lease, at ALL times.

CLUBHOUSE AND BBQ AREA RENTAL POLICY

- A. The clubhouse and BBQ facility is for the exclusive use of owners, their guests, and invitees.
- B. The clubhouse and BBQ facility may be used for private functions only if the owner of the property is a member in good standing, with no debts or rules violations recorded against the unit.
- C. Reservations must be made at least 48 hours in advance of the event. Please contact the Association during business hours and complete a reservation form.
- D. A refundable deposit of \$75.00 is required prior to the reservation being accepted.
- E. The clubhouse will be inspected following the event. Failure to restore the clubhouse to its original condition will result in a forfeiture of the deposit and the owner will be assessed all costs to restore the clubhouse to its original condition.
- F. Persons using the clubhouse shall conduct themselves so that their actions will not be offensive to others.

DUMPSTERS

- A. Do not place furniture, mattresses, or carpet in the dumpster. (Leave next to it.)
- B. Do not discard flammable or hazardous materials in the dumpsters. The owner will be subject to charges for cleanup costs and fines for violation of this rule.

RULES – Page 5

BALCONIES AND PATIOS

- A. Balconies and patios are not to be used as storage areas, and shall be kept clean and uncluttered at all times.
- B. No clothing or household items shall be left out or otherwise displayed on balconies, patios, railing, stairwells, or parapets.
- C. No appliances of any kind shall be stored, displayed, or used on balconies. (Except for washer/dryers with written approval of the Board.)
- D. No open flame cooking appliances are permitted to be operated on balconies or patios, or within 10 feet of any structure. Propane tanks, or ANY flammable items may NOT be stored on balconies or patios.
- E. Privacy coverings for balconies and patios shall be tasteful and of a neutral color, in order to blend with the overall appearance of the building exteriors. Prior written approval must be obtained from the Board of Directors before such coverings may be installed.
- F. No pets shall be allowed to remain unattended on patios or balconies. These are not meant to be used as "kennels" in the absence of the owner or tenant. Feces and urine may NOT be allowed to damage the buildings, including the concrete or wrought iron. Pet owners are responsible for preventing their pets from depositing feces or urine on the patios and balconies, which are Limited Use Common Area Elements. The barking of unattended dogs on balconies or patios is annoying to the neighbors and is prohibited.
- G. No trash, garbage or other household waste shall be placed or stored on balconies, patios, or stairwells for any amount to time.
- H. No exterior alterations, additions, permanent decorations, or structural improvements of any kind shall be made to any patio, balcony, exterior wall, or common element without prior written approval of the Board of Directors.

UNIT MAINTENANCE AND ARCHITECTURAL CONTROL

- A. It is the responsibility of each owner or resident to maintain and keep in good repair all plumbing fixtures and appliances within the unit. This includes toilets, faucets, dishwashers, refrigerators and ice makers, angle-stops, HVAC condensation lines, and all pipes and tubing which serve the appliances and plumbing fixtures. Owners or residents must immediately notify the Association of all water leaks. The Association will arrange the repairs and charge the owner for the material and labor. Costs of repairs for water damage to any unit caused by the intentional or unintentional neglect of the resident will be charged to the unit owner.
- B. Unit owners shall be responsible for the cost of correcting damage to common elements caused by the owner or resident which are exclusive to his or her particular unit.

RULES – Page 6

UNIT MAINTENANCE AND ARCHITECTURAL CONTROL (cont.)

- C. Washing machines and dryers are permitted, only after approval of an architectural request by the Board. Required plumbing and electrical must be to code. A payment of \$10.00 per month, to off-set additional water use, is also required.
- D. All unit owners must submit for architectural approval for any structural alteration or improvement to their units and written approval must be granted by the Board of Directors before any such work can be done. Proper permits must be obtained and work be performed by a licensed contractor.
- E. No landscaping outside of a unit is permitted without written approval from the Board of Directors.
- F. Unapproved additions or modifications to any unit or violations of the rules regarding unit maintenance and architectural control can result in fines starting at \$200.00 per day, until the violation is corrected and the property inspected for compliance.
- G. Each unit is responsible for all electrical costs relative to that unit. Unauthorized access of residents to common area utilities is prohibited and will be considered as theft. Such action can result in fines of \$100.00 per day.
- H. Diverter restrictions -Single handled hot and cold valves may not be used to replace the two handled hot and cold valves without written approval of the Board. The Association has the right to inspect the units and require correction of the issue at the owner's expense.
- I. Storage areas in buildings 22, 23, and 24 are actually access areas for Common Area plumbing and access must be available to the maintenance staff when necessary. These areas can be rented to homeowners at the rate of \$25.00 per month. The Association will always retain access to those areas.
- J. Tile Ban - upper floors. Tile is heavy and may be a structural problem in the upper units. Hard floors create a noise problem for the adjoining Units and noise abatement has not been effective. Therefore, the installation of tile or any hard flooring on the 2nd and 3rd floors is prohibited. Carpet only. In addition, installation of granite and stone tiles is also banned in second and third floor units. The Association may estimate the cost of removal of the tile and notify the owner giving them 30 days to remove the tile or the Association will assess the cost of the tile removal and file a lien on the property if the cost is unpaid.
- K. Air conditioning units must be replaced with split systems. Packaged units are prohibited. Prior approval is required, along with an inspection fee of \$200.00. Owner is responsible for the condensation line replacement. Damage to common area or other Units will be assessed to the owner.
- L. Failure to maintain your plumbing such that water damages the building and/or your neighbor's property can result in suspension of water service to your unit. Owner's are responsible for the cost of repairs to common area or other Unit owner's property.

RULES – Page 7

USE OF UNITS AS RENTAL PROPERTIES

Las Colinas has governing documents (CC&Rs, Bylaws, and Rules); following them is mandatory; not optional. The Association has had recorded Rules on Leasing Policy since 9-12-1991. In addition, the Association recorded a Rental Ban effective 2-15-2010, prohibiting the rental of any unit purchased after 2-15-2010.

It is the owners' duty and responsibility to observe the provisions of the Rules on leasing, all other policies and rules, and Arizona law.

- A. Leases must be of duration of no less than 6 months. We recommend a 6 month lease, followed by month-to-month with a 30 day notice of non-renewal.
- B. A background check shall be conducted as part of the Application process.
- C. A copy of the executed lease, including all required Association Addendums, must be provided to the Association upon signing, and prior to tenant(s) moving in. Or, full names of all occupants, including photo identification and date of birth, vehicle(s) make and model, must be provided. Or the information required under Arizona law.
- D. The landlord is responsible for ensuring compliance by all tenants, guests, and pets with the Association governing documents and rules. The unit owner is responsible for all costs for damages, fines, fees or other costs the Board of Directors may direct to the unit.
- E. The Association has the right to designate an exclusive rental agent for rental units at Las Colinas.
- F. Dogs are prohibited in rented units, for any reason, for any period of time.

Amendments to the Bylaws and Recorded Deed Restrictions

Updated May 2012

In Accordance with Article VIII. Bylaws, Section 8.1 Amendments, the bylaws may be amended by the Board of Directors.

The following Amendments to the Bylaws have been made. Copies are included.

- 1.) Effective Sept. 1, 1991, Recorded Deed Restriction: Association Unit Leasing Policy.
- 2.) Effective Nov. 8, 2005, Board Resolution: Individual Insurance.
- 3.) Effective Dec. 8, 2005, Board Resolution: Amendment to conform Proxies and Vote by Mail to revised Arizona Condominium Law.
- 4.) Effective Dec. 8, 2005, Board Resolution: Deposit to the Reserve Upon Transfer.
- 5.) Effective Feb. 15, 2010, Recorded Deed Restriction: Rental Ban
- 6.) Effective Oct. 26, 2010, Recorded Deed Restriction: Foreclosure Policy
- 7.) Effective May 10, 2011, Amendment to the Bylaws, no publishing of home addresses or phone numbers of Board Members.
- 8.) Effective October 14, 2011, Recorded Deed Restriction: Water Shut Off Policy.
- 9.) Effective May 26, 2012, Recorded Deed Restriction: New Buyer Approval Policy.

RECORDED BY: NTB
DEPUTY RECORDER
2100 RD18



DOCKET: 9123
PAGE: 931
NO. OF PAGES: 3
SEQUENCE: 91116218
REST 09/13/91
13:32:00

W
LAS COLINAS CONDOMINIUM OWNERS

2120 W INA RD
TUCSON AZ 85741

MAIL
AMOUNT PAID 9.00

RESTRICTION

The Board of Directors of Las Colinas Condominium Owners Association passed that attached Rules and Regulations, Association Unit Leasing Policy as described below:

Units 1-250, The Las Colinas Condominiums a Subdivision of Pima County, Arizona, as shown on the Condominium Map recorded in office of the County Recorder, Pima County, Arizona on the 27th day of July, 1979, in Book 6079 of Maps and Plats at Page 1309 and subject to the Declaration for The Las Colinas Condominiums recorded in said office in Book 6079 at Page 1309.

9123 931

10. Section 4.3 of the Assocations By-Laws provides that "the Board shall have the power to designate an exclusive rental agent" for the rental of units at Las Colinas.

Effective September 1, 1991, the Board of Directors of the Las Colinas Condominium Owners Association, adopt the following Rules and Regulations pertaining to renter identification and leasing of all units.

William Scurrah
Bill Scurrah
President

Francisco Melero
Francisco Melero
Vice President

Jack Laird
Jack Laird
Secretary/Treasurer

Roland Hansen
Roland Hansen
Member

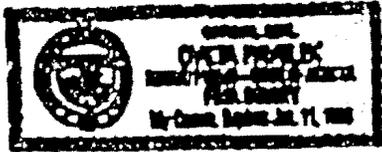
Chip Ciperley
Chip Ciperley
Member

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

This instrument was subscribed and sworn before me on this 12th day of September, 1991 by Bill Scurrah, Francisco Melero, Jack Laird, Roland Hansen and Chip Ciperley, the Board of Directors for Las Colinas Condominium Owners Association.

My commission expires: Jan 11, 1993

Vieta Porelek
NOTARY PUBLIC



9123 933

4895
W
LAS COLINAS
1600 N WILMOT RD 302
TUCSON AZ 85712



NO. PAGES: 1
REST 05/29/2012
12:30
MAIL
AMOUNT PAID: \$10.00

Las Colinas
Condominium Owner's Association, Inc.
1600 N. Wilmot Road
Tucson, AZ 85712
(520) 390-2310

RESTRICTION
Las Colinas Condominium Association
New Buyer Approval Policy

In accordance with the Bylaws of the Las Colinas Condominium Owner's Association, Inc., Section 7.5 F:
"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 from time to time."

the Board of Directors of the Las Colinas Condominium Owner's Association has established the following Buyer Approval Policy:

The Las Colinas Condominium Owner's Association, Inc. requires Board of Directors approval for all new buyers.

This policy is confirmed this 26th day of May 2012 by the presence of the signatures of officers of the Board of Directors.


Tovi Stonechek Ballesteros, Treasurer


Katherine Trimm, Vice President

Units 1-250, The Las Colinas Condominiums a Subdivision of Pima County, Arizona, as shown on the Condominium Map recorded in office of the County Recorder, Pima County, Arizona on the 27th day of July, 1979, in Book 6079 of Maps and Plats at page 1309 and subject to the Declaration for The Las Colinas Condominiums recorded in said office in Book 6079 at Page 1309.

F. ANN RODRIGUEZ, RECORDER
RECORDED BY: RJL
DEPUTY RECORDER
9544 PE-2



DOCKET: 13778
PAGE: 683
NO. OF PAGES: 3
SEQUENCE: 20100620289
04/01/2010
REST 15:17
MAIL
AMOUNT PAID \$ 10.00

W
LAS COLINAS COA
1517 N WILMOT RD 290
TUCSON AZ 85712

Homeowner's Association

1600 N. Wilmot Road
Tucson, AZ 85712

**Las Colinas Board Resolution
Restriction**

In accordance with Article VIII. Bylaws, Section 8.1 Amendments, the Bylaws may be amended by the Board of Directors.

Effective February 15, 2010 the Association Leasing Policy has been amended as follows:

At the February 15, 2010 Board Meeting, the Board voted effective 2/15/2010 to completely ban rental of units purchased after 2/15/2010.

This policy is confirmed this 15th day of February, 2010 by the presence of the signatures of the members of the Board of Directors.

Handwritten signature of John Saputo.

John Saputo, President

Handwritten signature of Katherine Trimm.

Katherine Trimm, Vice President

Handwritten signature of Tobi Stonechek.

Tobi Stonechek, Treasurer

Handwritten signature of Gayle Alleman.

Gayle Alleman, Board Secretary

Handwritten signature of Robert Preivo.

Robert Preivo, Special Projects

see attached legal
description

4-11-10 2:00 PM

F. ANN RODRIGUEZ, RECORDER
RECORDED BY: JSH
DEPUTY RECORDER
0497 PE-2



DOCKET: 13946
PAGE: 767
NO. OF PAGES: 1
SEQUENCE: 20102300294
12/01/2010
REST 13:48
MAIL
AMOUNT PAID \$ 10.00

W
LAS COLINAS HOMEOWNERS ASSOC
1600 N WILMOT RD
TUCSON AZ 85712

Las Colinas
Homeowner's Association
1600 N. Wilmot Road
Tucson, AZ 85712
(520) 390-2310

RESTRICTION

Las Colinas Condominium Association Foreclosure Policy

In accordance with the Bylaws of the Las Colinas Condominium Owner's Association, Inc., Article IV, Section 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."

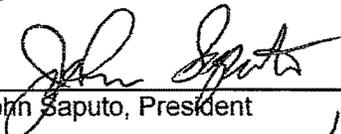
the Board of Directors of the Las Colinas Condominium Owner's Association has established the following Foreclosure Policy:

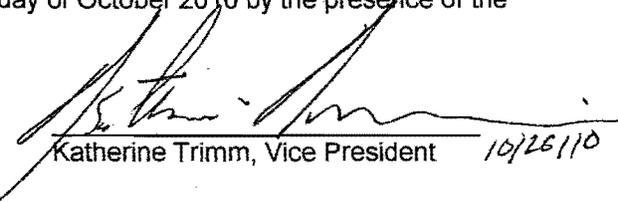
1.) To offset the costs of managing foreclosed/abandoned units, a foreclosure fee of \$1,000.00 dollars shall be assessed upon foreclosure. Effective for foreclosures after October 26, 2010, the Foreclosure fee shall be \$2,500.00. This assessment is due from the entity that assumed ownership of the unit in foreclosure. In taking ownership of the unit in the foreclosure process, the foreclosing entity becomes contractually bound by the Governing Documents and required to comply with all the duties of ownership, including prompt payment of all assessments.

2.) A new owners is required to contact the Association within 10 days of purchase and provide contact information, a signed copy of Arizona Disclosure of the Association's right to foreclose, and a copy of the deed. **This requirement applies equally to a new owner who is foreclosing entity.** To protect the Common Area, in the case where an owner (foreclosing entity) fails to provide contact information to the Association within 10 days, the Association managed water service shall be cut-off to an unoccupied unit. The Association purchases all water supplied to the property. The plumbing serving each unit, and the boilers providing hot water to each unit, are under the exclusive management of the Association. Units are not individually metered. The water turn-on fee is \$4,000.00. As with any assessment, this assessment creates a statutory lien and is due and payable immediately from the foreclosing entity.

3.) **All assessments must be current for water service to be restored.** Foreclosing entities have a contractual duty, as do all the owners, to pay their assessments timely. Failure to do so has a cost to the Community. Owners in breach are responsible for all assessments, including the water turn-on fee, and all legal costs required to collect debt owed to the Association.

In accordance with Article VIII. Bylaws, Section 8.1 Ammendments, the Bylaws may be amended by the Board of Directors. This policy is confirmed this 26th day of October 2010 by the presence of the signatures of officers of the Board of Directors.


John Saputo, President 10/26/10


Katherine Trimm, Vice President 10/26/10

RECORDED

Las Colinas

Homeowner's Association

1600 N. Wilmot Road

Tucson, AZ 85712

520 390-2310

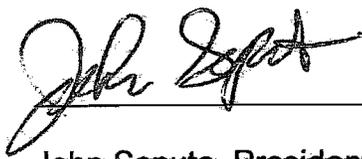
Las Colinas Board Resolution Amendment to the Bylaws

In accordance with Article VIII, Bylaws, Section 8.1 Amendments, the Bylaws may be amended by the Board of Directors:

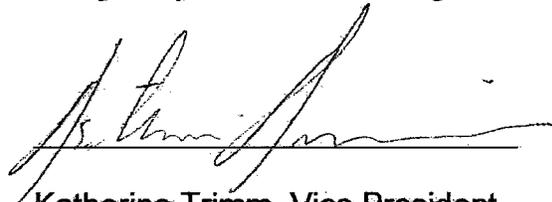
Effective May 10, 2011 the Association Policy on publishing the addresses and phone numbers of the Board members has been amended as follows:

The names, and elected offices, of the Board members shall be published. Board members may be contacted through the Association office. Home addresses and phone numbers of Board members shall not be published.

This policy is confirmed this 10th day of May, 2011 by the presence of the signatures of the members of the Board of Directors.



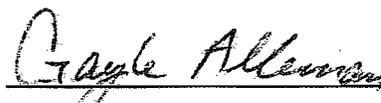
John Saputo, President



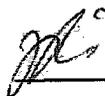
Katherine Trimm, Vice President



Tobi Stonechek Ballesteros, Treasurer



Gayle Alleman, Board Secretary



Robert Preivo, Special Projects

STATE OF ARIZONA
COUNTY OF PIMA
Witness my hand and Official Seal

I hereby certify that the within instrument was filed for record in Pima County, State of Arizona

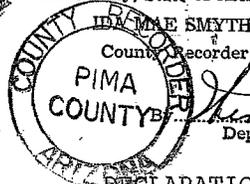
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Book 6079 Page 1309 -
Date: JUL 27 1979 - 4:05 PM
Request of: Conversion Concept

Indexed	Paged	Blotted

FORM 4-13



Stephens Decker
Deputy

Fee: 19.50

DECLARATION OF GRANTS,
COVENANTS, CONDITIONS, AND RESTRICTIONS
ESTABLISHING A PLAN FOR
HORIZONTAL PROPERTY REGIME
OWNERSHIP OF
THE LAS COLINAS CONDOMINIUMS

CONVERSION CONCEPTS, INC., a Colorado Corporation (the "Declarant"), as the sole owner of certain real property subject to this Declaration located in Pima County, Arizona, and more particularly described on Exhibit A attached hereto and by this reference made a part hereof (the "Property"), in order to submit the Property to a Horizontal Property Regime pursuant to Arizona Revised Statutes §§ 33-551, et seq., declares as follows:

ARTICLE I: Recitals

Section 1.1 Intention of Declarant. The improvements located on the Property consist of 31 buildings containing 250 residential units. The Property is hereby being submitted to a Horizontal Property Regime under the Horizontal Property Regimes Act of the State of Arizona. The entire property shall be referred to hereinafter as the "Project", which designation shall include each building and all other improvements located upon the Property.

ARTICLE II: Definitions

The following terms shall have the following meanings when used herein, unless the context otherwise requires:

Section 2.1 Building. "Building" means any building constructed on the Property.

Section 2.2 Unit. "Unit" means an individual air space unit, consisting of enclosed rooms occupying part of a floor or floors in a Building and bounded by the interior surfaces of the perimeter walls, floor, ceiling, windows, and doors thereof as shown and numbered on the Condominium Map for the Las Colinas Condominiums of record in the office of the County Recorder, Pima County, Arizona, together with all fixtures and improvements therein contained and shall include the term "Apartment" as used in the Arizona Horizontal Property Regimes Act.

Section 2.3. General Common Elements. "General Common Elements" means all of the Project, except all of the Units and the Limited Common Elements as hereinafter defined, including (a) the Property; (b) all structural components, including but not limited to the foundations, columns, girders, beams, supports, main walls, roofs, hall, corridors, lobbies, stairs, stairways, fire escapes, entrances, and exits of any Building or Buildings, partition walls, non-perimeter floors, non-perimeter division walls, chimneys, flues, and heat ducts; (c) green or open space areas, yards, gardens, walks, walkways, parking areas and storage spaces; (d) the premises, if any, for lodging of custodians or persons in charge of the Project; (e) installations of central services such as power, lights, gas, hot and cold water, other utilities (including all pipes, ducts, flues, wires, cable, and conduit used in connection with such items, whether located in common areas or within Units); (f) the elevators, tanks, pumps, motors, fans, compressors, ducts and, in general, all apparatus and installations existing for common use; (g) such community and commercial facilities as may be provided for in this Declaration; and (h) all other parts of the Project necessary or convenient to its existence, maintenance, and safety where normally in common use.

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Section 2.4 Limited Common Elements. "Limited Common Elements" means those Common Elements which are either limited to and reserved for the exclusive use of an Owner or are limited and reserved for use by more than one but fewer than all of the Owners of the Condominium Units as designated, located, or shown on the Condominium Map for the Las Colinas Condominiums by legend, symbol, or word.

Section 2.5 Common Elements. "Common Elements" means the General Common Elements and all Limited Common Elements.

Section 2.6 Condominium Unit. "Condominium Unit" means a Unit, together with an undivided interest in the Common Elements therein (expressed as a fraction of the entire ownership interest in the Common Elements) as set forth in Exhibit "B" attached hereto.

Section 2.7 Owner. "Owner" means any person or entity, including the Declarant, at any time owning a Condominium Unit and includes the term "Co-Owner" as used in the Arizona Horizontal Property Regimes Act. The term "Owner" shall not refer to any Mortgagee as herein defined, unless such Mortgagee has acquired title by foreclosure or by any proceeding in lieu of foreclosure. The term "Owner" shall also include a contract purchaser who is entitled to possession of a Condominium Unit under the terms of a recorded Contract for Sale of Real Estate and to exclude the holder of the vendor's interest in such contract.

Section 2.8 Mortgage. "Mortgage" means any mortgage, deed of trust, or other security instrument by which a Condominium Unit or any part thereof is encumbered.

Section 2.9 First Mortgagee. "First Mortgagee" means the holder of any Mortgage under which the interest of any Owner in a Condominium Unit is encumbered and which Mortgage has first and paramount priority subject only to the lien of general or ad valorem taxes and assessments.

Section 2.10 Mortgagee. "Mortgagee" means the holder of any Mortgage under which the interest of any Owner in a Condominium Unit is encumbered, including any First Mortgagee.

Section 2.11 Association. "Association" means The Las Colinas Condominium Owner's Association, Inc., an Arizona nonprofit corporation, its successors and assigns. The Association shall, for all purposes hereof, be deemed to be a "Council of Co-Owners" as that term is defined in Arizona Revised Statutes § 33-551(5).

Section 2.12 Board of Directors. "Board of Directors" or "Board" means the governing body of the Association as provided in this Declaration and in the Articles of Incorporation and Bylaws of the Association.

Section 2.13 Condominium Map. "Condominium Map" or "Map" means and includes the engineering survey or surveys of the Project showing the Building location, the floor plans, and other drawings or diagrammatic plans, including without limitation, charts or schedules depicting all or part of the improvements on the Property, copies of which are attached to this Declaration, and such other information included in the discretion of the Declarant.

Section 2.14 Condominium Declaration. "Condominium Declaration" or "Declaration" means this Declaration, together with any supplement or amendment recorded in the office of the County Recorder of Pima County, Arizona.

Section 2.15 Common Expenses. "Common Expenses" means and includes (a) expenses of administration, operation and management, repair or replacement of the Common Elements of the Project, (b) expenses declared Common Expenses by the provisions of this Declaration, the Articles of Incorporation of the Association, or the Bylaws of the Association, (c) all sums lawfully assessed against the Association, (d) expenses agreed upon as Common Expenses by the Association, and (e) expenses incurred under any Management Agreement between the Association and any third party.

ARTICLE III: Grant and Submission of Property

Section 3.1 Grant and Submission. Declarant hereby grants and submits the Project to this Declaration.

Section 3.2 Division into Condominium Units. The Project is hereby divided into Condominium Units, each consisting of a fee simple interest in a Unit and an undivided fee simple interest in the Common Elements in accordance with the respective undivided interest in Common Elements appurtenant to each Unit as set forth in Exhibit B attached hereto. Such undivided interests in the Common Elements are hereby declared to be appurtenant to the respective Units.

Section 3.3 Covenants Running With the Land. All provisions hereof shall be deemed to be covenants running with the land, or as equitable servitudes, as the case may be, and shall inure to the benefit of and be binding upon the Declarant, its successors and assigns, and to all persons hereafter acquiring or owning any interest in the Project or in any Condominium Unit, however such interest may be acquired.

ARTICLE IV: Condominium Map

Section 4.1 Description. The Map shall be filed for record in the office of the County Recorder of Pima County, Arizona, prior to the conveyance of any Condominium Unit to a purchaser. The Map shall depict and show at least the following: the legal description of the Property and a survey thereof; the location of the Buildings on the Property; the floor and elevation plans; a description of the cubic content space of the Buildings, the Limited Common Elements, and of each unit; the location of the Units within the Buildings, both horizontally and vertically; and the location of any structural components or supporting elements of the Buildings. The Map shall contain a certificate of a registered professional engineer or licensed architect, or both, certifying that the Map substantially depicts the location and the horizontal and vertical measurements of the Buildings, the Units, the dimensions of the Units, the elevations of the unfinished floors and ceilings as constructed, and that such Map was prepared subsequent to the substantial completion of the improvements. Any amendment to the Map shall set forth a like certificate, when appropriate.

Section 4.2 Interpretation. In interpreting the Map, the existing physical boundaries of each separate Unit as constructed shall be conclusively presumed to be its boundaries.

Section 4.3 Amendment. Declarant reserves the right to amend the Map from time to time for so long as the Declarant retains any interest in the Project, to conform it to the actual location of any of the constructed improvements, and to establish, vacate, and relocate utility easements, access road easements, and parking areas outside the Building.

ARTICLE V: Easements for Encroachments

Section 5.1 Easements. If any portion of the Common Elements encroaches upon any Unit or if any Unit encroaches upon any other Unit or upon any portion of the Common Elements as a result of the construction of the Buildings, or if any such encroachment occurs as a result of settling or shifting of the Buildings, or for any other reason, a valid easement for the encroachment shall exist for so long as the Buildings stand. In the event that the Buildings or any adjoining Common Element are partially or totally destroyed as a result of condemnation or eminent domain proceeding, or any other cause, and then rebuilt, encroachments of parts of the Common Elements upon any Unit, or encroachment of any Unit upon any portion of the Common Elements due to this rebuilding shall be permitted, and valid easements for such encroachments shall exist for so long as the Building shall stand. The foregoing encroachments shall not be construed to be encumbrances affecting the marketability of title to any Condominium Unit.

ARTICLE VI: Incidents of Condominium
Ownership

Section 6.1 Limited Common Elements. Limited Common Elements shall consist of parking spaces and individual balconies immediately adjoining certain Units, which shall be depicted on the Condominium Map. The balconies adjoining a Unit or identified on the Condominium Map with the same number or other designation by which the Unit is identified on the Condominium Map shall be for the exclusive use of the Owner of the Unit. The parking spaces shall be assigned and reassigned from time to time to individual Unit owners by the Association and shall be used exclusively by the assigned Unit Owner, and not by others except by invitation.

Section 6.2 Title. Title to a Condominium Unit may be held or owned by any person or entity and in any manner in which title to real property may be held or owned in the State of Arizona.

Section 6.3 Inseparability. Each Unit shall be inseparable from the undivided interest in and to the Common Elements appurtenant thereto and no such Unit shall be conveyed, leased, devised, mortgaged, or otherwise transferred except as a complete Condominium Unit as defined herein in Section 2.6. Every gift, devise, bequest, transfer, encumbrance, conveyance, or other disposition of a Unit or any part thereof shall be presumed to be a gift, devise, bequest, transfer, encumbrance, conveyance, or other disposition, respectively, of the entire Condominium Unit, together with all appurtenant rights and obligations created by law or by this Declaration.

Section 6.4 No Partition. The Common Elements shall be owned in common by all the Owners of Condominium Units. Neither an Owner or group of Owners nor the Association shall bring an action for partition or division of the Common Elements, nor shall the Association, an Owner or group of Owners encumber, abandon, sell, or transfer the Common Elements. Similarly, no action shall be brought for partition of a Condominium Unit between or among the Owners thereof.

Section 6.5 Owners' Rights to Common Elements. Subject to the limitations contained in this Declaration, any Owner shall have the nonexclusive right to use and enjoy the General Common Elements and shall have the exclusive right to use and enjoy the Limited Common Elements designated herein or by the Association for exclusive use by such Owner.

Section 6.6 Separate Tax Assessments. All taxes, assessments, and other charges of the State or any political subdivision, special improvement district, or any other taxing agent or assessing authority shall be assessed against and collected on each Condominium Unit, each of which shall be carried on the tax records as a separate and distinct parcel for that purpose. For the purpose of such assessment, valuation of the Common Elements shall be apportioned among the Units in proportion to the fractional interest in the Common Elements appurtenant to such Units. No forfeiture or sale of any Condominium Unit for delinquent taxes, assessment, or other governmental charge shall divest or in any way affect the title to any other Condominium Unit.

Section 6.7 Access to Units for Maintenance, Repair, and Emergencies. The Owners shall have an irrevocable right, which shall be exercised by the Managing Agent, Board of Directors of the Association or their delegated representatives, of access to each Unit, from time to time, during reasonable hours for the maintenance, repair, or replacement of any of the Common Elements in or accessible from such Unit. Such right of access shall be immediate in the case of emergency repairs, defined as those necessary to prevent damage to the Common Elements or to another Unit. The Association shall also have all the foregoing rights independent of any agency relationship. Damage to the interior of any Unit resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Elements or from emergency repairs within another Unit shall be a Common Expense, unless provided otherwise in this Declaration. If such damage is caused by a negligent or tortious act of an Owner, members of his or her family, or his or her agent, employee, invitee, licensee, or tenant, then such Owner shall be responsible and liable for all such damage. All damaged improvements shall be restored to substantially the same condition in which they existed prior to the damage. All maintenance, repair, or replacement of the Common Elements, whether inside or outside of a Unit, shall be a Common Expense unless necessitated by the negligence, misuse, or tortious act of a Unit Owner in which case such expenses shall be charged to such Unit Owner.

Section 6.8 Association's Right to Use of Common Elements. The Association shall have a nonexclusive easement to make such use of the Common Elements as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, and shall have the right to construct and maintain maintenance and storage facilities in the General Common Elements for use by the Association.

ARTICLE VII: Description of Condominium Units

Section 7.1 Description. Every deed, lease, mortgage, trust deed, will, or other instrument may legally describe a Condominium Unit by its Unit Designation, followed by the words "The Las Colinas Condominiums" and reference to the recorded Map and this Declaration. Every such description shall be good and sufficient to sell, convey, transfer, encumber, or otherwise affect the Unit and the interest in the Common Elements appurtenant thereto. Said description shall be substantially in the following form:

Unit _____, The Las Colinas Condominiums a Subdivision of Pima County, Arizona, as shown on the Condominium Map recorded in office of the County Recorder, Pima County, Arizona on the _____ day of _____, 1979, in Book _____ of Maps and Plats at Page _____ and subject to the Declaration for The Las Colinas Condominiums recorded in said office in Book _____ at Page _____.

ARTICLE VIII: Termination of Mechanics' Lien
Rights and Indemnification

Section 8.1 Mechanics' Lien. Subsequent to the completion of the improvements described on the Condominium Map, no labor performed or materials furnished and incorporated in a Condominium Unit with the consent of or at the request of the Owner thereof, his agent, contractor, or subcontractor, shall be the basis for filing a lien against the Condominium Unit of any other Owner not expressly consenting to or requesting the same, or against the Common Elements. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien claimant against the Condominium Unit of any other Owner or against the Common Elements for construction performed or for labor, materials, services, equipment, or other products incorporated into the Owner's Condominium Unit at such Owner's request or with his consent. The provisions of this Article VIII shall not apply to any labor performed or materials furnished at the request of the Managing Agent or Board of Directors of the Association. At the written request of any Owner, the Association shall enforce such indemnity by collecting from the Owner of the Unit on which the labor was performed or materials furnished the amount necessary to discharge any such lien, including all costs incidental thereto, and obtaining a discharge of the lien. Such collection shall be made by special assessment pursuant to Article XII. The Bylaws of the Association may also contain provisions relating to mechanics' liens.

ARTICLE IX: The Association

Section 9.1 Administration. The administration of the Condominiums shall be governed by this Declaration, the Articles of Incorporation, and the Bylaws of the Association.

Section 9.2 Membership. An Owner of a Condominium Unit shall automatically become a member of the Association and shall remain a member for the period of the Owner's ownership. If title to a Condominium Unit is held by more than one person, the membership related to that Condominium Unit shall be shared by all such persons in the same proportion of interests and by the same type of tenancy in which the title to the Condominium Unit is held. Each membership shall be appurtenant to the Condominium Unit and shall be transferred automatically by conveyance of the Condominium Unit. No person or entity other than an Owner may be a member of the Association, but the rights of membership may be assigned to a Mortgagee as further security for a loan secured by a lien on a Condominium Unit.

Section 9.3 Classes of Membership and Voting Rights. There shall be one class of membership in the Association. Each member shall be entitled to one vote for each Unit owned.

Section 9.4 Transfer. Except as otherwise expressly stated herein, none of the rights, interests, or obligations of the Association set forth or reserved herein shall be transferred or assigned to any other person or entity. No such transfer or assignment shall relieve the Association of any of the obligations set forth herein or revoke or change any of the rights or obligations of any Owners as set forth herein.

Section 9.5 Powers. The Association shall be granted all of the powers necessary to govern, manage, maintain, repair, administer and regulate the Project and to perform all of the duties required of it. Notwithstanding the above, unless at least 75% of the First Mortgagees of all of the Condominium Units (based upon one vote for each first mortgage owned or held) have given their prior written approval, the Association shall not be empowered or entitled to:

(a) by act or omission, seek to abandon or terminate the Condominium regime;

(b) partition or subdivide any Condominium Unit;

(c) by act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer any or all of the Common Elements;

(d) use hazard insurance proceeds for loss to the improvements located in the Project for a purpose other than the repair, replacement, or reconstruction of such improvements; or

(e) change the pro rata interest or obligation of any Condominium Unit, or of the Owners thereof; for the purpose of: (i) levying assessments or charges hereunder; (ii) allocating distributions of hazard insurance or condemnation awards hereunder; or (iii) determining the pro rata share of ownership of each Condominium Unit in the Common Elements.

Section 9.6 Examination of Books and Records. The Association shall grant to each First Mortgagee of a Condominium Unit the right to examine the books and records of the Association at any reasonable time. Further, the Association shall notify each First Mortgagee of any Condominium Unit of any proposed amendment of the Association's Articles of Incorporation or Bylaws or of any change in the Association's Managing Agent at least 10 days prior to the effective date of such amendment or change.

Section 9.7 Limitations on Management Agreements. Any agreement entered into by the Board of Directors for professional management of the Project or any other contract for services of the Declarant may not exceed three years, and must provide for termination by either party without cause and without payment of a termination fee on 90 days' or less written notice.

ARTICLE X: Maintenance Responsibility

Section 10.1 By the Owner. The Owner of a Unit shall have the obligation to maintain and keep in good repair the interior surfaces of walls, ceilings, and floors (including carpeting, tile, wallpaper, paint, or other covering), internal installation, repair, and maintenance of Unit utilities and fixtures such as water, light, gas, electricity, sewer, telephone, air conditioning, garbage disposals, doors, windows and window panes, lamps, and accessories; all appurtenant Limited Common Elements (except for matters relating to the structural integrity thereof); and all fixtures and appliances, whether Common Elements or not, located within such Owner's Unit. An Owner shall not be responsible for repair occasioned by casualty as defined in Article XV unless such casualty is due to the act or negligence of the Owner, or of the Owner's family, agents, employees, licensees, invitees, or tenants. An Owner shall reimburse the Association for any expenditure incurred for replacing or repairing any Common Element damaged through fault of an Owner, or the Owner's family, agents, licensees, employees, invitees, or tenants. The Association shall be entitled to assess such Owner for such reimbursements which shall be payable, collectible, and enforceable in the same manner as assessments pursuant to Article XII. No Owner shall alter any Common Element without the prior written consent of the Association.

Section 10.2 By the Association. The Association, through its Board of Directors, shall maintain, replace, improve, and keep in good repair, as a Common Expense, and without the requirement of approval of the Owners, all of the condominium Property not required to be maintained and kept in good repair by an Owner.

ARTICLE XI: Certain Rights and Obligations of
the Association

Section 11.1 Common Elements. The Association, subject to the rights of Owners with respect to the interior of the Units, shall be responsible for the exclusive management and control of the Common Elements and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive, and sanitary condition. The Association shall be responsible for the maintenance and repairs of exterior surfaces of the Buildings, including without limitation, painting, replacement of trim and caulking, and maintenance and repair of the Common Elements, including utility lines, roofs, and other improvements or material located within or used in connection with the Common Elements. The specifications of duties of the Association with respect to particular Common Elements shall not be construed to limit its duties with respect to other Common Elements, as set forth in the first sentence of this section. The cost of such management, operation, maintenance, and repair by the Association shall be borne as provided in Article XII.

Section 11.2 Miscellaneous Services. The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, and for such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. The Association may arrange with others to furnish, without limitation, common services such as lighting, heating, water, trash collection, snow removal, grounds maintenance, sewer service, and firewood. The cost of such services shall be assessed as provided in Article XII. Any contracts entered into by the Association dealing with the management of the Project shall be for a term not to exceed three years and must contain a provision allowing either party to cancel the contract with or without cause and without payment of a termination fee or penalty upon 90 days prior written notice.

Section 11.3 Personal Property for Common Use. The Association may acquire and hold tangible and intangible personal property for the use and benefit of all of the Owners and may dispose of the same by sale or otherwise, and the Owners shall be deemed to own a beneficial interest in each such property in the same proportion as their respective interests in the Common Elements. Such interests shall be transferable only as part of the conveyance of a Condominium Unit and specific reference shall not be necessary to effect such transfer. Each Owner may use such property in accordance with the purpose for which it is intended, if done without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Condominium Unit under foreclosure shall entitle the purchaser to the same interest in such personal property as such purchaser would obtain by any other conveyance.

Section 11.4 Rules and Regulations. The Association shall make reasonable rules and regulations governing the use of the Units and the Common Elements, consistent with the rights and duties established in this Declaration. Such rules and regulations may include, without limitation: (1) the requirement that interior window coverings including draperies, shades, and the interior surfaces of any window or door glass used in Units shall present a uniform appearance from the exterior of the Building, and that the Association shall have the right to inspect and approve all proposed draperies or shades or other interior window coverings to assure compliance with such rule before installation thereof in any Unit; (2) provision for the assignment and relocation from time to time of

particular portions of storage areas within the Common Elements for exclusive use by Owners of particular Condominium Units; and (3) assignment and reassignment, from time to time of parking spaces to Owners of Units. The Association may suspend any Owner's voting rights in the Association during any period or periods during which such Owner fails to comply with such rules and regulations or with any other obligations of such Owner under this Declaration. The Association may also take judicial action against any Owner to the extent permitted by law to enforce compliance with such rules, regulations, or other obligations or to obtain damages for noncompliance.

Section 11.5 Notice of Identity of Board of Directors and Managing Agent. From time to time, but not less than annually, there shall be mailed by the Association to each Owner a notice containing the names and addresses of the members of the Board of Directors and the Managing Agent, if any.

ARTICLE XII: Assessments

Section 12.1 Obligation. All Owners shall be obligated to pay the estimated assessments imposed by the Board of Directors to meet the Common Expenses of maintenance, operation, and management of the Condominium Property. The Board may establish any reasonable system for periodic collection of Common Expenses, either in advance or arrears. Initially, the Board shall make assessments for the estimated Common Expenses on an annual basis which 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 reduce or increase each Owner's assessment for the next ensuing calendar month as required to balance actual against estimated expenses. The Board shall, from time to time, estimate future expenses and cash requirements on which assessments shall be based. Estimated expenses shall include the cost of maintenance and operation of the Common Elements; expenses of management, taxes and special assessments, not separately assessed, insurance premiums for insurance coverage deemed desirable or necessary by the Board, landscaping, grounds maintenance, common lighting, repairs and renovations, wages, common water and utility charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Board or Managing Agent under or by reason of this Declaration, payment of any deficit remaining from a previous assessment period, creation of a reasonable reserve fund for the periodic replacement of Common Elements, and other costs and expenses relating to the General Common Elements. The omission or failure of the Board to fix the assessments for any assessment period shall not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The Board shall have the right to retain assessments in excess of the actual expenses incurred prior to the end of the fiscal year and shall not be obligated to credit the Owners with the excess.

Section 12.2 Apportionments. The percentage of Common Expenses to be paid by the Condominium Owners shall be equal to such Owner's appurtenant interest in and to the Common Elements as set forth in Exhibit "B" attached hereto. Declarant shall be considered to own only the undivided interest in Common Elements appurtenant to Condominium Units which have not been conveyed by Declarant.

Section 12.3 Time for Payment of Assessments. Assessments shall be due and payable 30 days after written notice of the amount thereof is given to the respective Owner of a Condominium Unit. Each monthly assessment shall bear interest at the rate of 10% per annum from the date it becomes due and payable if not paid within 30 days after such date and, in addition, a \$25 late charge will be collected. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of any Condominium Unit for such assessment, but the date when

payment shall become due in such case shall be deferred to a date 30 days after such notice is given. The Association may elect to have the monthly assessments paid quarterly or annually.

Section 12.4 Special Assessments for Capital Improvements. In addition to the monthly assessments authorized by this Article, the Association may levy special assessments, payable over such period as the Association may determine, for the purpose of paying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof or for any other expense or purchase incurred or to be incurred as provided in this Declaration. This section shall not be construed as an independent source of authority for the Association to incur expense, but only to prescribe the manner of assessment for expenses authorized by other sections hereof which make specific references to this Article. Any amounts assessed under this section shall be apportioned to Owners in accordance with their respective undivided interests in the Common Elements. Written notice of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners and no payment shall be due less than 30 days after such notice is given. A special assessment shall bear interest at the rate of 10% per annum from the date it becomes due and payable if not paid within 30 days after such date.

Section 12.5 Assessment Lien. All sums assessed but unpaid for the share of Common Expenses or special assessments chargeable to any Condominium Unit shall constitute a lien on such Condominium Unit superior to all other liens and encumbrances except (a) tax and special assessment liens on the Unit in favor of a taxing authority and (b) all sums unpaid on a First Mortgage of record, including all unpaid obligatory sums as may be provided by such encumbrance. To evidence the lien as herein permitted, the Board of Directors may, but shall not be required to, prepare a written notice setting forth the amount of such unpaid indebtedness, the amount of accrued penalty and interest thereon, the name of the Owner of the Condominium Unit, and a description of the Condominium Unit and record the same in the office of the County Recorder of Pima County, Arizona. Such lien shall attach from the due date of the assessment. The lien may be enforced by foreclosure of the defaulting Owner's Condominium Unit by the Association in the manner provided by statute for foreclosing a mortgage on real property upon recording of a notice for claim thereof. In the event of any such foreclosure, the Owner shall be liable for the amount of unpaid assessments, any penalties thereon, the costs and expenses of such proceedings, the costs and expenses for filing the notice of the claim of lien, and all reasonable attorneys' fees in connection therewith. The Association shall have the power to bid on a Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. Any Mortgagee holding a lien on a Condominium Unit shall have the right to pay any unpaid assessment payable with respect to such Unit and any and all costs and expenses with respect thereto, and the lien on such Unit for the amounts paid shall have the same priority as the lien of the Mortgage. The lien for assessments referred to herein shall be at all times subordinate to the lien of any Mortgage held by a First Mortgagee. By accepting a deed to a Unit, each Owner shall thereby waive and release any and all rights and claims said Owner may have in and to the Unit as a homestead exemption or any other exemption, said waiver and release to be applicable only in case of action to foreclose an assessment lien.

Section 12.6 Personal Obligation. The amount of any assessment chargeable against any Condominium Unit shall be a personal and individual debt of the Owner thereof. No Owner may become exempt from liability for the assessment by abandonment or by waiver of the use or enjoyment of any of the Common Elements. Suit to recover a money judgment for unpaid Common Expenses plus interest and

expenses, including attorneys' fees, shall be maintainable without foreclosing or waiving the assessment lien provided herein.

Section 12.7 Notice to Mortgagee. If a Mortgagee of any Condominium Unit furnishes a written notice of the Mortgage to the Association, the Association will report any default hereunder or unpaid assessments remaining in default for longer than 60 days to such Mortgagee.

Section 12.8 Statement of Status of Assessment Payment. Upon payment of a reasonable fee not to exceed \$25.00 and upon the written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Condominium Unit, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Condominium Unit. Unless such statement is issued to a Mortgagee making the request within 20 days after receipt of said request by the Association, all unpaid assessments which became due prior to the date of the request shall be subordinate to the lien of the Mortgagee if its interest was acquired subsequent to the request. If the request is made by a prospective purchaser which subsequently acquires the Condominium Unit, both the lien for the unpaid assessment and the personal obligation of the seller shall be released automatically as to the prospective purchaser if the statement is not furnished within the 20-day period provided herein and thereafter an additional written request is made by such purchaser and a statement is not furnished within 10 days.

Section 12.9 Personal Liability of Purchaser for Assessments. Subject to the provisions of Section 12.8 and Section 12.11, a purchaser of a Condominium Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Condominium Unit up to the time of conveyance to purchaser, without prejudice to purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

Section 12.10 Assessment Reserves. Each Owner, other than Declarant, may be required to deposit and maintain with the Association an amount equal to up to two times the amount of such Owners' estimated monthly assessment to be held without interest. Such sum shall be used by the Association or Managing Agent as a reserve for paying such Owner's monthly assessment, for purchase of equipment and supplies, and for working capital of the Association. Such advance payment shall not relieve an Owner from making the regular monthly payment of the assessment as the same becomes due. Upon the sale of a Condominium Unit, an Owner shall be entitled to a credit from his grantee for any unused portion of the assessment reserve.

Section 12.11 First Mortgage - Foreclosure - Liability For Unpaid Assessments. Any First Mortgagee who obtains title to a Condominium Unit through foreclosure of its mortgage or by a deed in lieu of foreclosure shall not be liable for unpaid assessments accruing prior to the date of the vesting of title to the Condominium Unit in the First Mortgagee.

ARTICLE XIII: Restrictive Covenants and Obligations - Use of Condominium Units

Section 13.1 Residential. The Condominium Units are hereby restricted to residential use and uses related to the convenience and enjoyment of such residential use. No Buildings or structures shall be moved from other locations onto the Property and no improvements other than those depicted on the Map shall be erected or constructed on the Property except by vote of the majority of the Owners. No structures of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be used or permitted to be kept or stored on any portion of the premises at any time, either temporarily or permanently.

Section 13.2 Sales Facilities of Declarant. Notwithstanding any provision in Section 13.1, Declarant, its agent, employees, and contractors shall be permitted to maintain during the period of sale of the Condominium Units in the Project upon such portion of the Property as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient, or incidental to the sale or rental of Condominium Units and interests, including, but not without limitation, a business office, storage areas, signs, model Units, sales office, parking areas and lighting, and temporary parking facilities for all prospective tenants or purchasers of Declarant.

Section 13.3 No Other Business. No other business activities of any kind shall be conducted in any Condominium Unit or on the Project.

Section 13.4 Rights of Association to Own Units and to Use Common Elements. The Association shall have the right, but not the obligation, to purchase and own any Condominium Unit for the purpose of maintaining an office for the Association for storage, recreation, or conference area or any other use which the Association determines is consistent with the operation of the residential Condominium. The Association may also maintain offices, storage areas, conference areas, and recreation areas elsewhere within the Common Elements.

Section 13.5 Compliance with Law. No immoral, improper, offensive, or unlawful use shall be permitted or made of the Condominium Property or any part thereof. All valid laws, ordinances, and regulations of all governmental bodies having jurisdiction over the Project shall be observed.

Section 13.6 Rules and Regulations. Rules and regulations may be adopted by the Board of Directors concerning and governing the use of the General and Limited Common Elements providing such rules and regulations shall be furnished to Unit Owners prior to the time they are adopted. Unit Owners shall be notified as provided in the Bylaws of the Association when the Board of Directors is considering adoption of rules and regulations so that Unit Owners may comment on the proposed rules and regulations and so that such rules and regulations are uniform and nondiscriminatory.

Section 13.7 No Unauthorized Additions, Alterations or Decorations. Except for those improvements erected or installed by Declarant, no exterior additions, alterations, or decorations to the Building, walls, or other structures located within the Project shall be commenced, erected, or maintained without the prior written approval of the Board of Directors as to conformity and harmony of external design and location with existing structures in the Project.

Section 13.8 Animals. The Association may by rules and regulations prohibit or limit the raising, breeding, or keeping of animals, insects, livestock, or poultry in any Unit or on the Common Elements or any part thereof. No animals, insects, livestock, or poultry shall be raised, bred, or kept for commercial gain on the Project.

ARTICLE XIV: Insurance

Section 14.1 Comprehensive General Liability and Property Insurance. Comprehensive general liability and property damage insurance covering the entire Project shall be purchased by the Board of Directors and shall be maintained in force at all times, the premiums thereon to be paid by the Association as a Common Expense. If Declarant pays the premium it shall be entitled to reimbursement from the Association. The insurance shall be carried with reputable companies authorized to do business in the State of Arizona in such amounts as the Board may determine. The policy or policies shall name as insured all of the Owners and the Association. Declarant

shall be named as an additional insured on such policy or policies until such time as Declarant shall have conveyed all the Condominium Units in the Project. The policy or policies shall insure against loss arising from perils in both the Common Areas and the Units and shall include contractual liability coverage to protect against such liabilities as may arise under the contractual exposures of the Association or the Board of Directors. Each hazard insurance policy must be written by a hazard insurance carrier which has a financial rating by Best's Insurance Reports of Class VI or better. Hazard insurance policies will also be acceptable from an insurance carrier which has a financial rating by Best's Insurance Reports of Class V, provided it has a general policy holder's rating of at least A. Each carrier must be specifically licensed or authorized by law to transact business within the State of Arizona. Policies will be unacceptable where: (i) under the terms of the carrier's charter, bylaws or policy, contributions or assessments may be made against any First Mortgagee or the Federal Home Loan Mortgage Corporation ("FHLMC") or FHLMC's designee; or (ii) by the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent FHLMC or any First Mortgagee from collecting insurance proceeds. Such policies shall also be subject to the provisions of Section 14.8(d).

Section 14.2 Fire and Hazard Insurance. Fire and other hazard insurance covering the entire project shall be purchased by the Board of Directors and shall thereafter be maintained in force at all times, the premiums thereon to be paid by the Association as a Common Expense. Policies shall provide for a standard noncontributory mortgagee clause in favor of each First Mortgagee whether or not named therein, and shall provide that the policy cannot be canceled by either the insured or the insurance company until after 10 days' prior written notice to each Owner and each First Mortgagee. The policies shall also provide that the interest of each First Mortgagee in the insurance shall not be invalidated by any action or neglect of the Board of Directors, Owners, or their tenants or agents. The policies shall further provide for waiver by the insurer of any policy provisions which would render the mortgagee clause invalid by reason of failure of the First Mortgagee to notify the insurer of any hazardous use or vacancy in any Condominium Unit and any policy requirement that the First Mortgagee pay the premium thereon. The policy or policies shall insure against loss from perils therein covered to all of the improvements in the Project, except such as may be separately insured. Such policy or policies shall contain extended coverage, vandalism, and malicious mischief endorsements. The improvements to be insured under this clause shall be continually insured to value, and the policy or policies shall contain replacement cost insurance. If reasonably available, the policy or policies shall contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild. The policy or policies shall name as insured all of the Owners, the Association, and the Declarant, so long as Declarant is the Owner of any of the Condominium Units in the Project. The policy or policies shall also cover personal property owned in common and shall further contain a waiver of subrogation rights by the carrier as to negligent Owners. If Declarant pays the premium for said policy or policies, it shall be entitled to reimbursement from the Association. Such policies shall also be subject to the provisions of Section 14.8(a), (b) and (e).

Section 14.3 No Individual Fire Insurance. Except as expressly provided in Section 14.4 below, no Owner shall separately insure his condominium or any part thereof against loss by fire or other casualty covered by the insurance carried under Section 14.2 above. Should any Owner violate this provision, any diminution in insurance proceeds resulting from the existence of such other insurance, and/or failure to have the proceeds of such insurance

payable pursuant to the provisions of Section 14.2 shall be chargeable to the Owner who acquired such other insurance, who shall be liable to the Association to the extent of any such diminution and/or loss of proceeds. Such liability may be enforced as a special assessment under Article XII.

Section 14.4 Owner's Personal Liability and Property Insurance. An Owner may carry such personal liability insurance, in addition to that herein covered, as such Owner may desire. In addition, any improvements made by an Owner to the interior of a Unit, as well as the personal property of the Owner, may be separately insured by such Owner, such insurance to be limited to the type and nature of coverage often referred to as "Tenant's Improvements and Betterments." All such insurance separately carried shall contain waiver of subrogation rights by the carriers as to negligent Owners.

Section 14.5 Other Insurance. The Board of Directors may purchase and maintain in force as a Common Expense, debris removal insurance, fidelity bonds, and other insurance or bonds that it deems necessary. The Board shall purchase and maintain Workmen's Compensation Insurance to the extent that the same shall be required by law respecting employees of the Association.

Section 14.6 Attorney in Fact. The Board of Directors is hereby appointed the attorney in fact for all Owners to negotiate loss adjustment on the policy or policies carried under Sections 14.1, 14.2, 14.3, and 14.5 above.

Section 14.7 Proceeds. The Association shall receive the proceeds of any casualty insurance payments received on the policies obtained and maintained pursuant to this Article. To the extent that repairs and reconstruction are required herein, the proceeds shall be used for such purposes. To the extent that repair and reconstruction are not required herein and there is a determination that the Project shall not be rebuilt, the proceeds shall be distributed in the manner provided in Article XV regarding casualty damage or destruction.

Section 14.8 Minimum Insurance Requirements. Insurance coverage in the following kinds and amounts shall be maintained at all times by the Association:

(a) a multi-peril type policy covering the entire Project providing as a minimum fire and extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost). If there is a steam boiler in operation in connection with the Project there must be in force boiler explosion insurance evidenced by the standard form of boiler and machinery insurance policy and providing as a minimum, \$50,000 per accident per location. If the Project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, a "blanket" policy of flood insurance on the Project must be maintained in the amount of the aggregate of the outstanding principal balances of the mortgage loans on the Condominium Units comprising the Project or the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less. The name of the insured under each required policy must be stated in form and substance similar to the following:

"Las Colinas Condominium Owner's Association, Inc., for use and benefit of the individual owners" (designated by name, if required).

(b) Each such policy must contain the standard mortgage clause which must be endorsed to provide that any proceeds shall be

paid to the Las Colinas Condominium Owners' Association, Inc., for the use and benefit of mortgagees as their interest may appear.

(c) The Association must have fidelity coverage against dishonest acts on the part of directors, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times the insured's estimated annual operating expenses and reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(d) The Association must have a comprehensive policy of public liability insurance covering all of the Common Elements, commercial spaces and public ways in the Project. Such insurance policy shall contain "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of the Association or other Unit Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use and shall have limits of at least \$1,000,000.00 per occurrence, for personal injury and/or property damage.

(e) All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Project is located. The mortgagee clause must provide that the insurance carrier shall notify the first mortgagee (or trustee) named at least ten days in advance of the effective date of any reduction in or cancellation of the policy.

ARTICLE XV: Casualty

Section 15.1 Association as Agent and Attorney in Fact. All of the Owners irrevocably constitute and appoint the Association as their true and lawful agent and attorney in fact in their name, place, and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute appointment of the Association as agent and attorney in fact as herein provided.

Section 15.2 General Authority of Association. As attorney in fact, the Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of a Condominium Unit Owner which may be necessary or appropriate to exercise the powers herein granted. Repair and construction of the improvements as used in this Article means restoring the Project to substantially the same condition in which it existed prior to damage, with each Unit and the Common Elements having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be used by the Association for the purpose of repair or reconstruction unless the Owners and all First Mortgagees unanimously agree not to rebuild in accordance with the provisions set forth hereinafter.

In the event any First Mortgagee should not agree to rebuild, the Association shall have the option and right, but not the obligation, to purchase such Mortgage by payment in full of the amount secured thereby if the Owners are in unanimous agreement to rebuild. The Association shall obtain the funds for such purpose by special assessments pursuant to Article XII of this Declaration.

Section 15.3 Definitions. For the purposes of this Article XV, the following terms shall have the following meanings:

(a) "Casualty event" shall mean an event causing damage or destruction to all or part of the Project.

(b) "Total destruction" shall mean damage or destruction which renders all of the Units in the Building untenable in the judgment of the Board of Directors.

(c) "Partial damage" shall mean any damage or destruction which is less than total destruction.

Section 15.4 Cost Estimate. As soon as practical after a casualty event, the Association shall obtain estimates that it deems reliable and complete of the cost of repair or reconstruction of that part of the Project damaged or destroyed.

Section 15.5 Partial Damage. Partial damage to the Condominium Property, whether insurance proceeds shall be sufficient to cover the same or not, shall be repaired as promptly as possible by the Association as attorney in fact for the Owners, and any cost of such repair or reconstruction in excess of insurance proceeds available shall be assessed against all Owners as a Common Expense pursuant to Article XII.

Section 15.6 Total Destruction. In the event of total destruction of the Building as defined in Section 15.3 above, the following provisions shall govern:

(a) Insurance Proceeds Sufficient to Repair. In the event that proceeds from insurance coverage are sufficient to cover the costs of repair and reconstruction after total destruction, according to the estimate of costs obtained by the Association, then the repair or reconstruction shall be promptly performed by the Association as attorney in fact for the Owners.

(b) Insurance Proceeds Insufficient to Repair. In the event that insurance proceeds are estimated to be insufficient to repair and reconstruct in the judgment of the Board of Directors, the Board shall advise all Owners of such decision, and shall give notice of a special meeting of Owners, pursuant to the Articles of Incorporation and Bylaws of the Association, to be held as soon as reasonably possible after the date of the casualty event, for the purpose of determining whether or not the repair or reconstruction should be done. The Building shall be reconstructed unless at least 75% of the Owners, plus all First Mortgagees, agree in writing to sell the entire remaining Condominium Project as hereinafter provided. Any necessary assessment made in connection with the plan shall be a Common Expense and charged as an assessment to each Owner during the course of reconstruction at the times deemed necessary or desirable by the Board. Any such assessment shall be an obligation of each Owner and a lien on such Owner's Condominium Unit and shall be enforced and collected as a Common Expense pursuant to Article XII. If at least 75% of the Owners and all of the First Mortgagees agree in writing, the entire remaining Condominium Property shall be sold by the Association, as attorney in fact, free and clear of the provisions contained in this Declaration and other Condominium Documents. In such case, the insurance proceeds payable as a result of the casualty and the sale proceeds, if any, shall be apportioned between the Owners on the basis of each Owner's appurtenant interest in and to the Common Elements as specified in Exhibit B attached hereto, and such apportioned proceeds shall be paid into separate accounts, each account representing one Condominium Unit. Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner. The Association, as attorney in fact, shall use and disburse

the total amount of such separate account without contribution from one account to another as follows:

(i) For payment of taxes and special assessment liens in favor of any assessing entity and customary expenses of sale;

(ii) For payment of the balance of the lien of any First Mortgage;

(iii) For payment of unpaid Common Expenses and all costs, expenses, and fees incurred by the Association;

(iv) For payment of junior liens and encumbrances in the order and to the extent of their priority; and

(v) The balance remaining, if any, shall be paid to the Condominium Unit Owner.

Section 15.7 First Mortgagee's Rights in Insurance Proceeds and/or Condemnation Award. No provision of this Declaration is intended to give to a Unit Owner, or any other party, priority over any rights of a First Mortgagee pursuant to the terms of its Mortgage in the case of a distribution to such Unit Owner (or other party) of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE XVI: Obsolescence

Section 16.1 Renewal and Reconstruction. The Owners representing an aggregate ownership interest of at least 75% may agree that the Condominium Property is obsolete and adopt a plan for its renewal and reconstruction, which must be unanimously approved in writing by every First Mortgagee of a Condominium Unit. Notice of adoption of such plan of renewal and reconstruction shall be recorded in the office of the County Recorder for Pima County, Arizona. The expense of renewal and reconstruction shall be payable by all of the Owners as Common Expenses; provided, however, that an Owner not a party to such a plan for renewal or reconstruction may give written notice to the Association within 15 days after the date of adoption of such plan demanding purchase of his Condominium Unit by the Association for the fair market value thereof. The Association shall then have 30 days within which to cancel the plan. If such plan is not canceled, the Condominium Unit of the demanding Owner shall be purchased according to the following procedures. If such Owner and the Association can agree on the fair market value of the Unit, then such sale shall be consummated within 30 days after such agreement at that price. If the parties are unable to agree, then one party must notify the other that he, she or it is unable to agree with the other and that date shall be the "commencement date" from which all periods of time mentioned hereafter shall be measured. Within 10 days following the commencement date, each party shall nominate an appraiser in writing and give notice of such nomination to the other party. If either party fails to make such a nomination within the 10 days, the appraiser nominated shall, within five days after default by the other party, appoint and associate with another appraiser. If the two designated or selected appraisers are unable to agree, they shall appoint another appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, each appraiser previously appointed shall nominate two appraisers, and from the names of the four appraisers so nominated one shall be drawn by lot by any judge of any court of record in Arizona, and the name so drawn shall be such umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within 10 days of the failure of the two appraisers to agree, but in no event later than 20 days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, then such decision of the umpire shall be final

and binding and a judgment based upon the decision rendered may be entered in any court having jurisdiction thereof. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner. The sale shall be consummated within 15 days thereafter, and the Association, as attorney in fact, shall disburse such proceeds for the same purposes and in the same order as is provided in subparagraphs (i) through (v) of Section 15.6(b).

Section 16.2 Sale of Property. The Owners representing an aggregate ownership interest of at least 75% may agree that the Condominium Property is obsolete and that the same should be sold, which plan must have the prior written approval of all of the First Mortgagees. The Association shall forthwith record a notice executed by the Association's president and secretary or assistant secretary setting forth such fact in the office of the Clerk and Recorder of Pima County, Arizona. Upon the recording of such notice, the Condominium Property shall be sold by the Association, as attorney in fact for all of the Owners, free and clear of the provisions contained in this Declaration and other Condominium Documents. The sales proceeds shall be collected, apportioned, and disbursed by the Association as attorney in fact, in accordance with the procedure set forth in Section 15.6(b).

ARTICLE XVII: Condemnation

Section 17.1 Consequences of Condemnation. If at any time or times during the continuance of the Condominium Ownership pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in advance thereof, the provisions of this Article XVII shall apply.

Section 17.2 Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the Association.

Section 17.3 Complete Taking. In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium Ownership shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to their respective undivided interests in the Common Elements as shown on Exhibit "B" hereof, provided that if a standard different from the value of the Project as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

On the basis of the principle set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the same manner provided in Section 15.6 of this Declaration.

Section 17.4 Partial Taking. In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium Ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: (a) As soon as practicable the Association shall, reasonably and in good faith, allocate that portion of the Condemnation Award attributable to taking of or injury to the Common Elements and apportion that amount among the Owners in proportion to their respective undivided interests in the Common Elements, (b) the Association shall allocate that portion of the Award attributable to severance damages among those Condominium Units which were not taken or condemned, (c) the Association shall allocate that portion of the

Award attributable to the taking of or injury to a particular Unit and/or improvements an Owner had made within his own Unit to the particular Units or Units involved, and (d) the remainder of the Award shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Association shall employ the same allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective Mortgagees.

Section 17.5 Reorganization. In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association. Thereafter the Association shall reallocate the ownership, voting rights, and assessment ratio determined in accordance with this Declaration equally among the Owners of the remaining Units and shall submit such reallocation to the Owners of remaining Units for amendment of this Declaration as provided in Article XIX hereof.

Section 17.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article XV above.

ARTICLE XVIII: General Reservations

Section 18.1 Reservation of Easements, Exceptions, and Exclusions. Declarant reserves to himself and hereby grants to the Association the right to establish from time to time by dedication or otherwise, utility and other easements, for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, and conduit installation areas, and to create other reservations, exceptions, and exclusions consistent with the Condominium Ownership of the Project for the best interest of all of the Owners and the Association.

ARTICLE XIX: Revocation or Amendment of Declaration

Section 19.1 Revocation. This Declaration shall not be revoked unless all of the Owners and all of the holders of any recorded First Mortgage encumbering any or all of the Condominium Units unanimously consent and agree to such revocation by written instrument(s) duly recorded.

Section 19.2 Amendment. This Declaration shall not be amended, except as otherwise herein provided, unless the Owners representing an aggregate ownership interest of at least 75% of the Common Elements and all of the holders of any recorded First Mortgage covering or affecting any or all Condominium Units unanimously consent and agree to such amendment by written instrument(s) duly recorded. Any amendment to this Declaration may also be evidenced by a recorded certificate of the Secretary of the Association certifying that at a meeting of the Owners, duly called, Owners representing an aggregate ownership interest of at least 75% of the Common Elements consented to the Amendment, and that all of the holders of First Mortgages have given written consent to the Amendment, and that copies of such written consent are in the corporate records of the Association.

ARTICLE XX: Miscellaneous Provisions

Section 20.1 Mailing Address. Each Owner shall register his, her, its or their mailing address with the Association, and all notices, demands, and statements shall be sent by regular United States mail, postage prepaid, addressed in the name of the Owner at

such registered mailing address. All notices to the Declarant shall be mailed in said manner to the following address:

Conversion Concepts, Inc.
7110 North Oracle
Suite 202A
Tucson, AZ 85704 .

until such address is changed by notice of address change given to the Owners.

Section 20.2 Compliance with Provisions. Each Owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation, Bylaws, rules, regulations, resolutions, and contracts of the Association in force and effect from time to time. Failure to comply with any of the same shall be grounds for an action maintainable by the Board of Directors or the Managing Agent on behalf of the Owners to recover sums due for damages or injunctive relief or both, together with reasonable attorneys' fees, court costs, and injunction bond premiums.

Section 20.3 Reference to Ownership Interests. Wherever in this Declaration or in the Articles of Incorporation or Bylaws of the Association reference is made to a specific percentage interest of Owners, such reference shall be deemed to mean the total aggregate appurtenant interests in and to the Common Elements as reflected in Exhibit "B" attached hereto and shall not be deemed to mean a percentage of Owners by number of individual persons, partnerships, corporations, or other entities.

Section 20.4 Severability. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase, word, or section or the application thereof in any circumstance is invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any such provision, paragraph, sentence, clause, phrase, word, or section in any other circumstances shall not be affected thereby.

Section 20.5 Terminology. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include both genders.

Section 20.6 State Law. The provisions of this Declaration shall be in addition and supplemental to the Horizontal Property Regimes Act of the State of Arizona and to all other laws of the State of Arizona.

Section 20.7 Period of Condominium Ownership. The Condominium Ownership created by this Declaration and the Condominium Map shall continue until this Declaration is revoked in the manner provided in Article XIX hereof or until terminated as provided in Article XV (casualty), XVI (Obsolescence), or XVII (Condemnation) of this Declaration.

Section 20.8 Declarant's Rights Transferable. Any right or interest of Declarant hereunder, established or reserved, may be transferred or assigned by Declarant either separately or with one or more of such rights or interests, to any person or entity.

Section 20.9 Interpretation. This Declaration shall be interpreted in conformity with all rules, regulations and requirements of the Federal Home Loan Mortgage Corporation applicable to conventional mortgages, in effect as of the day of this Declaration or as hereafter amended, and any provision hereof which is inconsistent therewith shall be deemed modified to conform thereto. If there is any conflict among or between the Declaration, the Articles of Incorporation of the Association (the "Articles"), the Bylaws of the

EXHIBIT A

DECLARATION OF GRANTS,
COVENANTS, CONDITIONS, AND RESTRICTIONS
ESTABLISHING A PLAN FOR
HORIZONTAL PROPERTY REGIME
OWNERSHIP OF
THE LAS COLINAS CONDOMINIUMS

All of that portion of Lot 6 in Section 6, Township 14 South, Range 15 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, more particularly described as follows:

BEGINNING at the Northeast corner of said Lot 6;

thence North 89°59'11" West along the North line of said Lot 6, a distance of 534.99 feet to a point, said point being the TRUE POINT OF BEGINNING:

thence South 0°03'27" East, a distance of 732.43 feet to a point;

thence North 89°59'11" West, a distance of 653.90 feet to a point on the East line of Wilmot Road and Tanque Verde Road, as it existed on September 29, 1976.

Thence North 0°03'04" East along the East line of said Wilmot Road and Tanque Verde Road, a distance of 288.05 feet to a point of curvature;

thence along the East line of Tanque Verde Road around a curve to the right whose radius is 879.93 feet, a central angle of 11°05'56", a distance of 170.45 feet to a point;

thence South 89°59'11" East, a distance of 273.72 feet to a point;

thence North 0°00'49" East, a distance of 87.00 feet to a point;

thence South 89°59'11" East, a distance of 135.00 feet to a point;

thence North 0°00'49" East, a distance of 188.00 feet to a point on the North line of said Lot 6;

thence South 89°59'11" East along the North line of said Lot 6, a distance of 227.52 feet to a point, said point being the TRUE POINT OF BEGINNING.

EXHIBIT B

DECLARATION OF GRANTS,
COVENANTS, CONDITIONS, AND RESTRICTIONS
ESTABLISHING A PLAN FOR
HORIZONTAL PROPERTY REGIME
OWNERSHIP OF
THE LAS COLINAS CONDOMINIUMS

<u>Unit No.</u>	<u>Building No.</u>	<u>Unit Type</u>	<u>% of Ownership in Common Elements</u>
100	12	D	.408
101	12	B	.316
102	12	D	.408
103	1	D	.408
104	1	B	.316
105	1	D	.408
106	2	D	.408
107	2	B	.316
108	2	D	.408
109	3	D	.408
110	3	B	.316
111	3	D	.408
112	4	D	.408
113	4	B	.316
114	4	D	.408
115	5	D	.408
116	5	B	.316
117	5	D	.408
118	6	D	.408
119	6	B	.316
120	6	D	.408
121	7	D	.408
122	7	B	.316
123	7	D	.408
124	8	D	.408
125	8	B	.316
126	8	D	.408
127	9	D	.408
128	9	B	.316
129	9	D	.408
130	10	D	.408
131	10	B	.316
132	10	D	.408
133	11	D	.408
134	11	B	.316
135	11	D	.408
136	13	B	.316
137	13	B	.316
138	13	B	.316
139	13	B	.316
140	14	A	.235
141	14	A	.235
142	14	A	.235
143	14	A	.235
144	15	A	.235
145	15	A	.235
146	15	A	.235
147	15	A	.235
148	16	A	.235
149	16	A	.235
150	16	A	.235
151	16	A	.235

<u>Unit No.</u>	<u>Building No.</u>	<u>Unit Type</u>	<u>% of Ownership in Common Elements</u>
152	17	A	.235
153	17	A	.235
154	17	A	.235
155	17	A	.235
156	18	B	.316
157	18	B	.316
158	18	B	.316
159	18	B	.316
160	19	H	.561
161	19	H	.561
162	20	H	.561
163	20	H	.561
164	21	H	.561
165	21	H	.561
166	22	C	.376
167	22	C	.376
168	22	C	.376
169	22	C	.376
170	22	C	.376
171	22	C	.376
172	22	C	.376
173	22	C	.376
174	22	C	.376
175	22	C	.376
176	23	C	.376
177	23	C	.376
178	23	C	.376
179	23	C	.376
180	23	C	.376
181	23	C	.376
182	24	C	.376
183	24	C	.376
184	24	C	.376
185	24	C	.376
186	25	B	.316
187	25	B	.316
188	25	B	.316
189	25	B	.316
190	26	G	.521
191	26	G	.521
192	26	G	.521
193	27	G	.521
194	27	G	.521
195	27	G	.521
196	28	H	.561
197	28	H	.561
198	29	H	.561
199	30	E	.498
200	12	D	.408
201	12	B	.317
202	12	D	.408
203	1	D	.408
204	1	B	.317
205	1	D	.408
206	2	D	.408
207	2	B	.316
208	2	D	.408
209	3	D	.408
210	3	B	.316
211	3	D	.408
212	4	D	.408
213	4	B	.316
214	4	D	.408

<u>Unit No.</u>	<u>Building No.</u>	<u>Unit Type</u>	<u>% of Ownership in Common Elements</u>
215	5	D	.408
216	5	B	.317
217	5	D	.408
218	6	D	.408
219	6	B	.317
220	6	D	.408
221	7	D	.408
222	7	B	.317
223	7	D	.408
224	8	D	.408
225	8	B	.316
226	8	D	.408
227	9	D	.408
228	9	B	.316
229	9	D	.408
230	10	D	.408
231	10	B	.316
232	10	D	.408
233	11	D	.408
234	11	B	.317
235	11	D	.408
236	13	B	.316
237	13	B	.316
238	13	B	.316
239	13	B	.316
240	14	A	.235
241	14	A	.235
242	14	A	.235
243	14	A	.235
244	15	A	.235
245	15	A	.235
246	15	A	.235
247	15	A	.235
248	16	A	.235
249	16	A	.235
250	16	A	.235
251	16	A	.235
252	17	A	.235
253	17	A	.235
254	17	A	.235
255	17	A	.235
256	18	B	.316
257	18	B	.316
258	18	B	.316
259	18	B	.316
260	19	H	.561
261	19	H	.561
262	20	H	.561
263	20	H	.561
264	21	H	.561
265	21	H	.561
266	22	F	.471
267	22	F	.471
268	22	F	.471
269	22	F	.471
270	22	F	.471
271	22	F	.471
272	22	F	.471
273	22	F	.471
274	22	F	.471
275	22	F	.471
276	23	F	.471
277	23	F	.471

<u>Unit No.</u>	<u>Building No.</u>	<u>Unit Type</u>	<u>% of Ownership in Common Elements</u>
278	23	F	.471
279	23	F	.471
280	23	F	.471
281	23	F	.471
282	24	F	.471
283	24	F	.471
284	24	F	.471
285	24	F	.471
286	25	B	.316
287	25	B	.316
288	25	B	.316
289	25	B	.316
290	26	G	.521
291	26	G	.521
292	26	G	.521
293	27	G	.521
294	27	G	.521
295	27	G	.521
296	28	H	.561
297	28	H	.561
298	29	H	.561
299	30	E	.498
300	30	E	.498
301	30	C	.376
302	30	C	.376
303	30	E	.498
304	30	E	.498
305	30	C	.376
306	30	C	.376
307	30	E	.498
308	30	E	.498
309	30	E	.498
310	30	E	.498
311	30	C	.376
312	30	C	.376
313	30	E	.498
314	30	E	.498
315	30	C	.376
316	30	C	.376
317	30	E	.498
318	30	E	.498
319	31	E	.498
320	31	E	.498
321	31	C	.376
322	31	C	.376
323	31	E	.498
324	31	E	.498
325	31	E	.498
326	31	E	.498
327	31	C	.376
328	31	C	.376
329	31	E	.498
330	31	E	.498
400	30	E	.498
403	30	E	.498
404	30	E	.498
407	30	E	.498
408	30	E	.498
409	30	E	.498
410	30	E	.498
413	30	E	.498
414	30	E	.498
417	30	E	.498

<u>Unit No.</u>	<u>Building No.</u>	<u>Unit Type</u>	<u>% of Ownership in Common Elements</u>
418	30	E	.498
419	31	E	.498
420	31	E	.498
423	31	E	.498
424	31	E	.498
425	31	E	.498
426	31	E	.498
429	31	E	.498
430	31	E	.498

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

ARTICLES OF INCORPORATION

OF

THE LAS COLINAS CONDOMINIUM OWNERS' ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a nonprofit corporation under the laws of the State of Arizona, and to that end do hereby adopt Articles of Incorporation as follows:

ARTICLE I

NAME AND ADDRESS

The name of this corporation shall be THE LAS COLINAS CONDOMINIUM OWNERS' ASSOCIATION, INC. Initially, the known place of business of the corporation shall be:

7110 North Oracle Road
Suite 212
Tucson, Arizona 85704

but this corporation may do and transact business and its Board of Directors may meet at such other place or places as may be convenient or necessary for the conduct of the business of the corporation.

ARTICLE II

INCORPORATORS

The names, residences and post office addresses of the incorporators are as follows:

LARRY M. BAKER	9745 E. Hampden, Suite 400 Denver, Colorado 80231
GARY LOVELACE	7110 N. Oracle Rd., Suite 212 Tucson, Arizona 85704
VICTORIA PETTYJOHN	9745 E. Hampden, Suite 400 Denver, Colorado 80231

ARTICLE III

PURPOSES

The general purpose for which this corporation is organized is to act as a "Council of Co-Owners" as that term is defined in Arizona Revised Statutes §33-551(5) and, in furtherance thereof, to provide management and maintenance services to the owners of all of the condominium units and general and limited common elements located within The Las Colinas Condominiums, as shown on the map or plat thereof of record in the office of the County Recorder, Pima County, Arizona, in Book _____ of Maps and Plats at page _____, and as further described in that certain Declaration for the Las Colinas Condominiums recorded in said office in Docket _____ at page _____ (hereinafter referred to as "the Project"), and in general to conduct any and all lawful affairs for which corporations may be incorporated under Title 10, Chapter 5, Arizona Revised Statutes. In furtherance of the foregoing, this corporation shall have the following powers among others:

(a) To borrow money for any and all purposes herein enumerated from banks, other lending institutions, or other individuals, and to mortgage and assign, pledge or otherwise encumber any of the property of the corporation as security for the repayment of any and all such loans, subject to the provisions of the above referenced Declaration for the Las Colinas Condominiums, as the same may be amended.

(b) To adopt and enforce rules and regulations governing the use of condominium units and general and limited common elements within the boundaries of the Project.

(c) To landscape, cultivate and maintain all general and limited common elements within the Project, and to make repairs and to maintain improvements within the Project on behalf of the owners of condominium units in the Project.

(d) To levy and collect assessments from all members of the corporation in such amounts as the Board of Directors may determine to be necessary to carry on its function of managing and maintaining the general and limited common elements and condominium units

within the Project, including but not limited to assessments for maintenance of any buildings, other structures, landscaping, lawns, roadways, alleyways, fences, drainage areas and other improvements located within the Project, and assessments to pay for insurance and taxes and to create a reserve for contingencies.

(e) To file liens upon any condominium unit and the general and limited common elements appurtenant thereto located within the Project in order to secure the payment of obligations due from the owners thereof to this corporation, and to collect, foreclose or otherwise enforce, compromise, release, satisfy and discharge said liens, and to do all other things necessary to the filing, maintenance, enforcement and discharge of said liens.

(f) To act as attorney-in-fact on behalf of the Owners of condominium units located within the Project pursuant to Article XV and other provisions of the above referenced Declaration for the Las Colinas Condominiums.

(g) To administer and enforce the provisions of the above referenced Declaration for the Las Colinas Condominiums as the same may be amended.

(h) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Las Colinas Condominium Owners' Association, Inc., as set forth in the above referenced Declaration for the Las Colinas Condominiums, as the same may be amended from time to time, and to exercise such other powers and privileges and perform such other duties and obligations set forth in such Declaration as may be assigned or otherwise transferred by the Declarant thereunder to this corporation.

ARTICLE IV

INITIAL CHARACTER OF AFFAIRS

The character of the affairs which this corporation initially intends to actually conduct in the State of Arizona shall consist of providing management and maintenance service for the condominium units and general and limited common elements located within the Project and in general to act as a "Council of Co-Owners" as that term is defined in Arizona Revised Statutes §33-551(5).

V
INCONSISTENCIES

In the event that any part or provision of these Articles of Incorporation are in conflict or inconsistent with the above referenced Declaration for The Las Colinas Condominiums or with the rules, regulations and requirements of the Federal Home Loan Mortgage Corporation, the terms and provisions of the above referenced Declaration for The Las Colinas Condominiums and the rules, regulations and requirements of the Federal Home Loan Mortgage Corporation shall prevail and supersede such conflicting or inconsistent provisions hereof except as may otherwise be required by applicable law.

VI
AMENDMENTS

Subject to the terms and conditions herein set forth, and expressly subject to the terms and conditions of the above referenced Declaration for The Las Colinas Condominiums, these Articles of Incorporation may be amended, altered or repealed only by the affirmative vote of a majority of the members of this corporation present in person or by proxy and entitled to vote at any duly constituted and convened regular or special meeting of members, and upon ten (10) days' prior written notice of the effective date of such amendment to all first mortgagees (as defined in the above referenced Declaration for The Las Colinas Condominiums).

VII

MEMBERSHIP

This shall be a non-stock corporation. Membership in this corporation shall be evidenced by a certificate of membership in the form as fixed in the Bylaws of this corporation. Members of this corporation shall be limited to and consist only of the owners of condominiums and the interest in general and/or limited common elements appurtenant thereto located within the Project. Certificates of membership in this corporation shall not be transferred or alienated in any way except upon the sale of a condominium unit and the interest in general and/or limited common elements appurtenant thereto located within the Project by the member holding said certificate, and then only to the purchaser thereof. No part of the net income of this corporation shall inure to the benefit of any member, and no member, director, officer or employee of the corporation shall receive any pecuniary profit of any kind therefrom except reasonable compensation for services in effecting one or more of its purposes and reimbursement for actual and reasonable expenses incurred in connection with the administration of the affairs of this corporation. No dividends or pecuniary profit shall be declared or paid to any member.

ARTICLE VIII

VOTING

There shall be one (1) class of membership in this corporation. Each member shall be entitled to one (1) vote in this corporation for each condominium unit located within the Project owned by such member.

Any provision contained in this Article to the contrary notwithstanding, any member who is in default in payment of any assessment or other sum due to this corporation shall not have the right to vote at any meeting of the members of this corporation until such default is cured.

ARTICLE IX

DIRECTORS

The affairs of this corporation shall be conducted by a Board of Directors of not less than three (3) nor more

of this corporation in accordance with the provisions of the above referenced Declaration for the Las Colinas Condominiums.

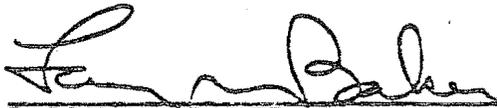
ARTICLE XI

STATUTORY AGENT

The name and address of the initial statutory agent for this corporation is:

GARY S. LOVELACE
7110 North Oracle Road, Suite 212
Tucson, Arizona 85704

IN WITNESS WHEREOF, we have hereunto set our hands
this 14 day of June, 1979.



LARRY M. BAKER



GARY S. LOVELACE



VICTORIA PETTYJOEN

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

Before me, a Notary Public in and for the County of Denver, State of Colorado, on this day personally appeared LARRY M. BAKER and VICTORIA PETTYJOEN, known to me to be the persons whose names are subscribed to the foregoing Articles of Incorporation, and acknowledged to me

Las Colinas

Condominium Owners' Association

1600 N. Wilmot
Tucson, AZ 85712
520-390-2310

2020 Financial Report

1.) The Year of COVID – Stayed in the Black, \$21,000.00

Every year we think, this will be the easy year. One International pandemic later, success is being here and healthy. A study revealed that family, community, and nature are what makes people happy. Las Colinas provides home for our families, community, and nature. Even in quarantine we had our patio/balconies to see friends, flowers, and singing birds. A safe port in the storm.

This was a difficult year financially for almost everybody. The work we have done to create non-dues reimbursements provided a cushion in this challenging year. The reimbursements from our laundries as well as all the escrow collections that usually go to management companies – go into our Community budget instead. Thanks to that planning, we still managed to put \$526,000.00 into the bank. This is \$21,000.00 over 100% of our \$505,000.000 budget for 2020 dues.

In 2020 we approved our first dues increase since 2007. That is 14 years. Because we are self-managed, we are always looking for ways to reduce costs in the long-term. In a world where rates are rising – we look for savings to offset those increases. Our free-time as Board members is spent looking for ways to put money into Las Colinas, because we joined the Board to be able to get things done. And getting things done takes money, creativity, and dedication.

Rather than do special assessments, like other Associations do, we build money for capital projects into our monthly dues amount. We knew we would be replacing the boilers, they were over ten years old. 2020 was the year we got new ones. It was \$50,000.00 to replace all three of them, including a new tank and installation. As you see from the 2020 Balance Sheet, we borrowed \$50,000.00 from the Reserve. Our new boilers have just been a dream. By May 4, 2021 we returned the \$50,000.00 to the Reserve, as shown in the updated Balance Sheet.

Maintaining infrastructure requires attention to all that you do NOT see. For example, protecting the wood structure of our buildings with regular property-wide termite treatments. In 2020 we spent \$10,000.00 on our scheduled property-wide termite treatment.

2.) Financial Statements

2020 Income Statement

Income:			
	Dues		\$493,000.00
	Fees & Reimbursements		<u>\$ 33,000.00</u>
	Total		\$526,000.00
Expense:			
	Administrative & Legal	\$ 7,500.00	
	Insurance	\$ 85,000.00	
	Common Area Facilities	\$ 82,500.00	
	Utilities	\$ 150,000.00	
	Common Area Maintenance	\$ 199,000.00	
	Total		\$524,000.00
			=====
Net Income:			\$ 2,000.00
Reserve Project:			
	Transfer from Reserve		\$ 50,000.00
	3 Boilers, Tank, Install		\$ 50,000.00

2020 Balance Sheet

Assets:		Liabilities:	
Cash on Hand	\$ 2,000.00	Liabilities (loan)**	\$ 15,000.00
Reserves	<u>\$ 35,000.00</u>	Owner's Equity	<u>\$ 49,000.00</u>
Equipment *	\$ 27,000.00		
Total Assets	\$ 64,000.00	Total	\$ 64,000.00

**Note: Represents \$45,000.00 purchase of scale solver water treatment system. Straight line depreciation over 60 months.

5/4/2021 Balance Sheet

Assets:		Liabilities:	
Cash on Hand	\$ 2,000.00	Liabilities (loan)**	\$ 9,000.00
Reserves	<u>\$ 80,000.00</u>	Owner's Equity	<u>\$ 96,000.00</u>
Equipment	\$ 23,000.00		
Total Assets	\$105,000.00	Total	\$105,000.00

This Compilation was prepared by the Managing Agent in accordance with the requirements stated in the Arizona Revised Statutes. The books of the Association are maintained on a cash basis. These statements fairly state the condition of the entity consistent with generally accepted accounting principles.

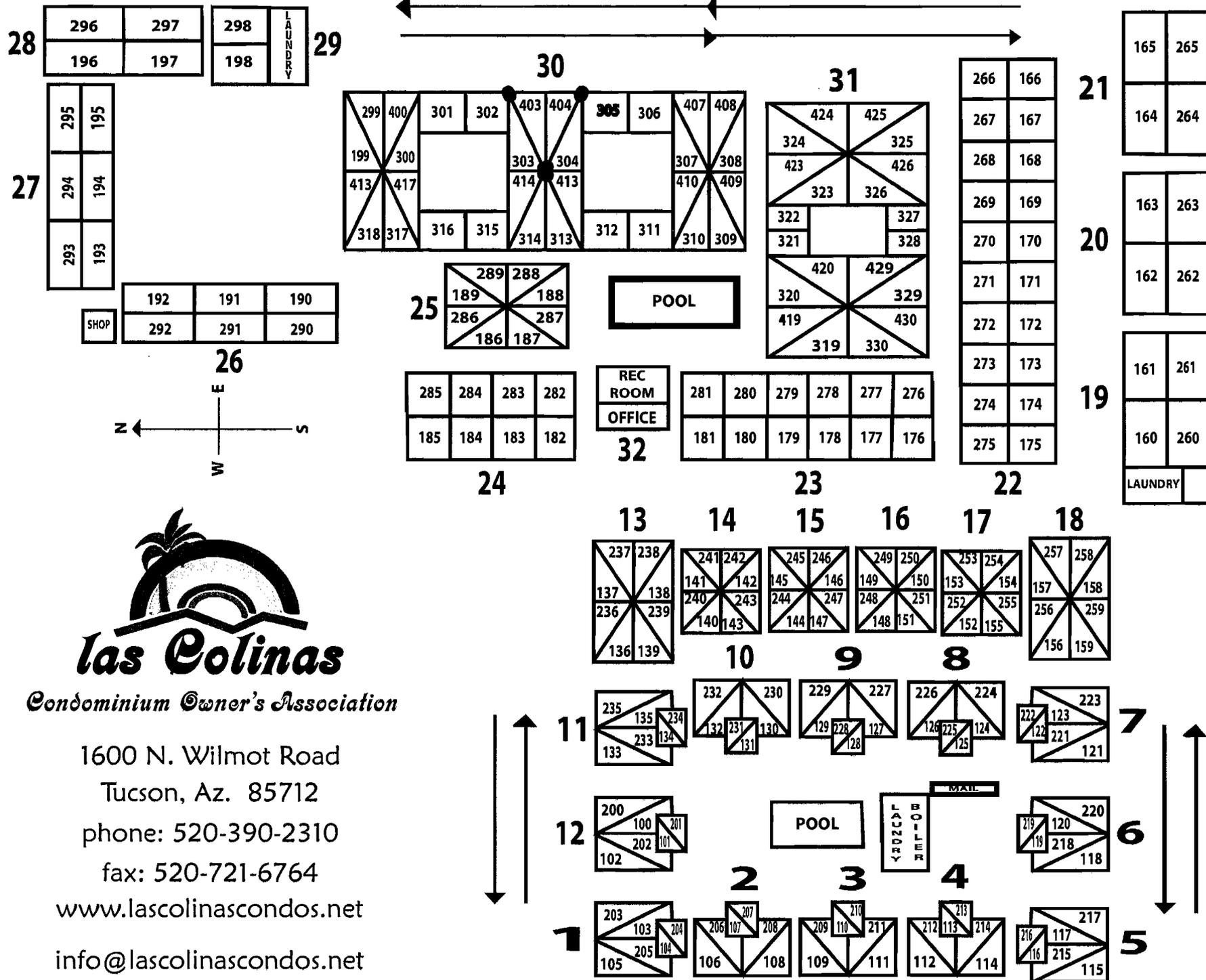
3.) 2020 Management Analysis

Infinite needs – finite resources. Our Association budget is just like our individual household budgets. “Adult-ing” first. We spend money on utilities, insurance, repairs, savings. When there is time left – then we can do projects to make our property look nice. Just like at home, we can think of ten ways to spend every dollar. But we can only spend each dollar once. As we look at how we make decisions about caring for our property, we must prioritize sustainability. We have to be here 30 years from now. 50 years from now.

Totals by budget category are divided by 250 homes to get the average amount per owner/per year, and then by 12 months to get the average per owner/per month. This includes the amount paid by dues, and supplemented with fees and non-dues reimbursements.

Here is how the 2020 expenses were spent per average homeowner:

	<u>Ave. per Month</u>	<u>Ave. per Year</u>
1.) General and Administrative (Includes newsletters, compliance and collections)	\$ 2.50	\$ 30.00
2.) Insurance (Includes blanket hazard insurance, D&O)	\$ 28.33	\$ 340.00
3.) Common Area Facilities (Includes pools, pest control, boilers and softeners)	\$ 27.50	\$ 330.00
4.) Utilities (Southwest Gas, TEP, Trash, Water & Sewer)	\$ 50.00	\$ 600.00
5.) Common Area Maintenance (Includes staff and materials for landscaping, laundries, plumbing, fascia, fencing, roof coating and painting.)	\$ 66.33	\$ 796.00
6.) New Boilers	<u>\$ 16.70</u>	<u>\$ 200.00</u>
TOTAL AVERAGE	\$191.35	\$2,296.00



Las Colinas
Condominium Owner's Association

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