

BYLAWS

OF

"VILLA SANTA FE" HOMEOWNERS ASSOCIATION

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The name of the corporation shall be "VILLA SANTA FE" HOMEOWNERS ASSOCIATION, 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 the City of Phoenix, County of Maricopa, State of 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 La Casa De Fuente Condominiums (hereinafter referred to as the "Declaration").

Section 1.2. Assent. All present or future owners, tenants, future tenants or any other persons 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 Areas, Limited Common Areas, Exclusive Areas, Project and Owner. The terms Owners and Members as used herein shall be synonymous.

ARTICLE II

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUMS, 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 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. In the event a Unit is owned by two or more persons or entities, a single membership card shall be issued in the names of all such Owners, and such Owners shall designate to the Association, in writing, one such Owner who shall have the power to vote such membership at any annual or special meeting of Members.

Section 2.2. Voting. The Association shall have two (2) classes of voting membership:

Class A: Class A Members shall be all Owners with the exception of the Declarant. Each Unit owned by a Class A Member shall be entitled to one (1) vote. When more than one Person holds an interest in any Unit, all such Persons shall be Members, but one of the co-owners shall be designated as the voting co-owner, and such voting co-owner shall cast the vote to which the co-owned Unit is entitled. In the absence of the designation of a voting co-owner, the vote shall be cast as the co-owners shall, among themselves, determine, but in no event shall more votes than a Unit is entitled to be cast with respect to any Unit. Under no circumstances shall a fractional share of a vote be cast.

Class B: The Class B Member shall be the Declarant, and shall be entitled to three (3) votes for each Unit owned by the Declarant. The Class B membership shall cease and be converted to Class A

membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) seven years after the date of the Declaration.

Any provision in these Bylaws or in the Declaration calling for approval by the Members of action to be taken by the Association shall expressly require the vote or written assent of a majority, or a prescribed percentage in excess thereof, of each class of membership during the time that there are two outstanding classes of membership. Any requirement elsewhere in the Articles of Incorporation, Bylaws, and Declaration that the vote of the Declarant shall be excluded in any such determination shall be applicable only if there has been a conversion of Class B to Class A shares, and shall be read to require the prescribed percentage of votes of Members and the prescribed percentage of votes of Members other than Declarant.

Section 2.3. 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.

Section 2.4. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of twenty percent (20%) of all of the Unit Owners shall constitute a quorum. An affirmative vote of twenty percent (20%) of the Unit Owners present, either in person or by proxy, shall be required to transact business; provided, however, that no Director shall be removed unless a majority of Unit Owners vote affirmatively therefor.

Section 2.5. 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 eleven (11) months after the date thereof.

Section 2.6. Voting by Mail. The Board of Directors may decide that voting of the Members shall be by mail with respect to any particular election of Directors.

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 fifty (50) days after such advice is given by which all votes are to be received. The Secretary, within five (5) 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 Members. The notice shall state that any such Member 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 fifteen (15) days from the date the notice is given by the Secretary. Within five (5) days after such specified date, the Secretary shall give written notice to all Members, 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 Member 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.

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 2.6.

The Directors may, from time to time, establish such additional rules and regulations governing elections pursuant to this Article as shall not be inconsistent with this Article.

ARTICLE III

ADMINISTRATION, MEETINGS OF MEMBERS

Section 3.1. Association Responsibilities. The Association shall have the responsibility of administering the Project through a Board of Directors.

Section 3.2. Place of Meetings. Meetings of the Members 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 first Tuesday in March in each year. The first annual meeting shall be held on 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 4.2 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 (3/4) 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 (5) 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 forty-eight (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

Section 4.1. Number. The affairs of the Association shall be managed by a Board of Directors consisting of two (2) directors who need not be Members of the Association, until conversion of Class B memberships to Class A memberships, after which time all directors must be Members of the Association.

Section 4.2. Term of Office. At the first annual meeting of the Association, the Members shall elect each of the three (3) directors for a term of one (1) year. At the expiration of the initial term of office of each director, his or her successor shall be elected to serve for a term of one (1) year.

Section 4.3. Nominations. Nominations for Directors to be elected at any annual meeting of Members shall be made by the existing Board of Directors prior to each annual meeting of Members at which Directors are to be elected. The Board of Directors may nominate as many nominations as it shall, in its discretion, determine, but not less than the number of Directorships to be filled. Nominations may also be made from the floor at any annual membership meeting at which Directors are to be elected.

Section 4.4. 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 Project.

Section 4.5. 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 the Project, with the right to amend same from time to time. Such rules and regulations may include, but are not limited to, provisions regarding the exclusion of any and all animals from the Project or the limitation and control thereof and the assignment and reassignment from time to time of parking

spaces and any common storage areas for use by designated Owners of Units. 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 the extent provided in the Declaration, to keep, or cause to be kept, in good order, condition and repair all of the Common Areas and Exclusive Areas and all items of common personal property, if any.

D. To insure and keep insured the Project, in an amount equal to its 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 Project. 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 pro-rated 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 shall include the costs of maintenance and operation of the General Common Areas, expenses of management, taxes and special assessments, unless separately assessed, insurance premiums for insurance coverage, 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 a Director under or by reason of the 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 Common Areas.

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 Areas.

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

J. To establish a bank account or accounts 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 weekly 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 Common Areas.

O. On ten (10) days notice, and after receipt of such fee as may be fixed by the Board, not to exceed the sum of Twenty-Five Dollars (\$25.00), 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 4.6. 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 4.5 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 4.7. 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 Directors.

Section 4.8. Removal of Directors. 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 4.9. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held immediately following each annual meeting of Members and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting.

Section 4.10. 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 (4) such meetings shall be held during each fiscal year and one (1) such meeting shall be held immediately following the annual meeting of Members. 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 (3) days prior to the day named for such meeting.

Section 4.11. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) 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 (2) Directors.

Section 4.12. 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 4.13. 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 4.14. 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 4.15. Directors' 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 (2) 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 and 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.

Section 5.10. Committees. The Board of Directors may establish such standing or ad hoc committees as it may deem necessary.

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 attorneys' 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, cost and expense incurred or suffered by the Association by reason of 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 or her under and by virtue of the Declaration 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 Declaration, all Owners shall be obligated to pay the assessments imposed by the Association to meet the common expenses. The assessments shall be made pro rata according to percentage interest in and to the General Common Areas and shall be due monthly in advance, except

that the Board of Directors may determine that such assessments be paid quarterly or annually. A Member shall be deemed to be in good standing and entitled to vote at any annual or 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, Limited Common Areas or Exclusive Areas 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 a 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 Areas or Exclusive Areas, shall be at the Owner's expense.

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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 Common Areas, Exclusive Areas 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 Common Areas or Exclusive Areas 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 ninety (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 (1) year, together with the sum of One Hundred Dollars (\$100.00). 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 ensure payment of or on account of such final judgment or settlement. Any deficiency shall be paid forthwith by the subject Owner. Owner's failure to so pay any sum required

under this Section 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 La Casa De Fuente Condominium Project was built.

Section 7.5. 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 buildings in the Project and Common Areas and Exclusive Areas, and to deal with the Owner's Condominium Unit upon its destruction or obsolescence and regarding insurance proceeds as 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

AMENDMENTS

Section 8.1. Bylaws. These Bylaws may be amended, at a regular or special meeting of the Members, by the vote or written assent of at least a bare majority of a quorum of Members, but not more than a bare majority of the voting power of the Association, and at least a bare majority of the votes of Members other than the Declarant. Notwithstanding the above, the percentage of a quorum or of the voting power of the Association or of Members other than the Declarant necessary to amend a specific clause or provision in the Bylaws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

Section 8.2. Two-Class Voting. If a two-class voting structure is provided and is still in effect in the Association, these Bylaws may not be amended without the vote or written assent of a prescribed percentage of the voting power of each class of membership or a prescribed percentage of a quorum of Members of each class. If a two-class voting structure was originally provided in the Project Documents, but is no longer in effect because of the

conversion of one class to the other, the provisions for amending these Bylaws set forth in Section 8.1 above shall be applicable.

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 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, or they be entitled to vote at any annual or 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 or Managing Agent within five (5) 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 maintain all General Common Areas, as that term is defined in the Declaration.

ARTICLE XIII

NONPROFIT CORPORATION

Section 13.1. Nonprofit Corporation. The 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:

A. Reasonable compensation may be paid to any Member 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

B. Any Member or Director may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XIV

FISCAL YEAR

Section 14.1. Fiscal Year. The fiscal year of the Association shall begin on January 1 and end on December 31.

ARTICLE XV

INCONSISTENCIES

Section 15.1. Inconsistencies. In the event of any conflict or inconsistency between the provisions of these Bylaws and 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 Phoenix, Arizona, this 26th day of September, 1983.

x Michael Stein, President
MICHAEL STEIN, PRESIDENT

x Bonita Stein
BONITA STEIN, SECRETARY-TREASURER

The undersigned, Secretary of "VILLA SANTA EF: HOMEOWNERS' ASSOCIATION, an Arizona nonprofit corporation, does hereby certify that the above and foregoing Bylaws were duly adopted by the Board of Directors as the Bylaws of said corporation on the 26th day of

September, 1983, and that they do now
constitute the Bylaws of said corporation.

DATED this 27th day of September, 1983.

X. Bonita Stein
Secretary