

**BYLAWS
OF
RIGHT PLACE ON 43RD CONDOMINIUM ASSOCIATION**

ARTICLE 1 GENERAL PROVISIONS

1.1 Defined Terms. Capitalized terms used in these Bylaws without definition shall have the meanings specified for such terms in the Amended and Restated Declaration of Condominium and of Covenants, Conditions and Restrictions for Right Place on 43rd Condominium recorded May 2, 2000 at Instrument No. 00 0331898 in the Official Records of the Maricopa County, Arizona Recorder and the Arizona Condominium Act, §33-1201 et seq. Whenever the context so requires, the use of the singular shall include and be construed as including the plural and the masculine shall include the feminine and neuter.

1.2 Principal Office. The principal office of the Association shall be located at the place designated in the Articles or such other place as may be designated from time to time pursuant to Arizona law. Meetings of Members and the Board of Directors may be held at the principal office of the Association or at such other place as may be designated by the Board of Directors.

1.3 Conflicting Provisions. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

1.4 Corporate Seal. The Association may have a seal in a form approved by the Board of Directors.

1.5 Designation of Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

1.6 Books and Records. The Condominium Documents and all other books, records, financial statements, and papers of the Association shall be available for inspection by any Member or First Mortgagee during reasonable business hours at the principal office of the Association where copies may be purchased at reasonable cost. The Association may withhold from inspection those books, records and papers designated in A.R.S. §10-11602.

1.7 Amendment. Except as provided below, these Bylaws may only be amended, at a regular or special meeting of the Members, by a vote of Members holding more than fifty percent (50%) of the total allocated votes of the Membership entitled to be cast by the Members present in person or by proxy. The Board, may amend these Bylaws without the consent of any Owner or Mortgagee to comply with the Condominium Act or applicable law, correct any error or inconsistency, or to comply with the requirements or guidelines of any governmental or quasi-governmental entity or federal corporation guaranteeing, insuring or investing in mortgage loans in the Condominium Project, provided such amendments do not adversely affect any Unit Owner or Mortgagee. While Class B Membership exists or during any Period of Declarant Control, any

amendment of these Bylaws must be approved by the VA or FHA prior to the amendment taking effect.

1.8 Indemnification. To the extent it has the power to do so under the Arizona Nonprofit Corporation Act, A.R.S. §10-3850, et seq., as it may be amended from time to time, the Association shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, in an action by or in the right of the Association or otherwise, by reason of the fact that he is or was a Member, director, officer, employee or agent of the Association or is or was serving at the request of the Association as a member, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, and against judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted, or failed to act, in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Indemnification of any such Person shall be made in accordance with the procedures set forth in the Arizona Nonprofit Corporation Act. Liability of the Directors shall also be limited as provided in the Articles.

1.9 Notices. All notices, demands, statements or other communications required to be given or served under these Bylaws shall be in writing and shall be deemed to have been duly given and served if delivered personally or sent by United States mail, postage prepaid, or, in the case of a notice pursuant to Section 5.1 of these Bylaws, registered or certified United States mail, return receipt requested, postage prepaid, (i) if to a Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner, (ii) if to the Association, the Board of Directors or the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this section; and (iii) if to Declarant, at 1502 W. Osborn Rd., Ste. 3, Phoenix, Arizona 85015. A notice given by mail, whether regular, certified or registered, shall be deemed to have been received by the person to whom the notice was addressed on the earlier of the date the notice is actually received or three (3) days after the notice is mailed. If a Unit is owned by more than one person, notice to one of the Unit Owners shall constitute notice to all Unit Owners of the same Unit.

ARTICLE 2 MEETINGS OF MEMBERS

2.1 Annual Meeting. The first annual meeting of the Members shall be held within one (1) year of the date on which the Association is incorporated, and an annual meeting of the Members shall be held during each calendar year thereafter. The date, time and place of each annual meeting of the Members shall be determined by the Board of Directors.

2.2 Special Meetings. Special meetings of the Members may be called at any time by the President or a majority of the Board of Directors or by Unit Owners having at least twenty-five percent (25%) of the total allocated votes in the Association.

2.3 Notice of Meetings. Except as provided in Section 7.3 of the Declaration, written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting by mailing a copy of each notice, postage prepaid, no fewer than ten (10) nor more than fifty (50) days before such meeting to each Member entitled to vote at the meeting addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the items on the agenda, including the general nature of any proposed amendment to the Declaration or the Bylaws, any budget changes or change in Assessments requiring the approval of Members, and any proposal to remove a director or officer.

2.4 Quorum and Adjournment. Except as otherwise provided in the Condominium Documents, including, without limitation, Section 7.3 of the Declaration, the presence in person or by proxy of Members entitled to cast one-fourth (1/4) of the total authorized votes in the Association shall constitute a quorum at all meetings of the Members. If a quorum shall not be present at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Any adjournment for lack of a quorum shall be to a date not more than thirty (30) days from the original meeting date. Meetings may also be adjourned to another place and time for reasons other than lack of quorum if the place and time are announced at the meeting at which adjournment is taken and the reconvened meeting is held within thirty (30) days of the adjourned meeting.

2.5 Multiple Owners. If only one of the multiple Unit Owners of a Unit is present at a meeting of the Association, he is entitled to cast all the votes allocated to that Unit. If more than one of the multiple Unit Owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple Unit Owners, unless the Declaration otherwise provides. There is majority agreement if any one of the multiple Unit Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Unit Owners of the Unit.

2.6 Proxies. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. If a Unit is owned by more than one person, each Unit Owner of the Unit may vote or register protest to the casting of votes by the other Unit Owner of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or if it purports to be revocable without notice. The proxy is revoked on presentation of a later dated proxy executed by the same Unit Owner. A proxy terminates one year after its date, unless it specifies a shorter term or unless it states that it is coupled with an interest and is irrevocable. All proxies, including irrevocable proxies coupled with an interest, shall automatically cease upon conveyance by the Member of his Unit or upon receipt of actual notice by the Secretary of the Board of the death or judicially declared incompetence of such Member.

2.7 Record Date. For any meeting of the Members, the Board of Directors may fix in advance a date, not more than fifty (50) days nor less than ten (10) days before the date of such meeting, as a record date for the determination of the Members of record entitled to notice of,

and to vote at, such meeting. The Members entitled to vote at any meeting of the Members will be determined as of the applicable record date if one has been fixed as aforesaid, otherwise as of the time the meeting is convened.

2.8 Organization and Conduct of Meetings. All meetings of Members will be called to order and thereafter chaired by the President of the Association. If the President is unavailable, such other officer of the Association or such other Member as may be appointed by the Board of Directors may call the meeting to order and chair the meeting. The Board may also delegate the role of chairing the meeting to the Managing Agent (as defined in Section 3.11 below). The Association's Secretary will act as secretary of each membership meeting. In his absence, the chairman of the meeting may appoint any person (whether a Member or not) to act as secretary thereat. After calling a meeting to order, the chairman thereof may require the registration of all Members intending to vote in person and the filing of all proxies with the election inspector or inspectors, if one or more has/have been appointed (or, if not, with the secretary of the meeting). After the announced time for such filing of proxies has ended, no further proxies or changes, substitutions or revocations of proxies will be accepted. If Directors are to be elected, a tabulation of the proxies so filed, if any Person entitled to vote in such election so requests, will be announced at the meeting (or adjournment thereof) prior to the closing of the election polls. Absent a showing of bad faith on his part, the chairman of the meeting will, among other things, have absolute authority to fix the period of time allowed for the registration of Members and the filing of proxies, to determine the order of the business to be conducted at such meeting and to establish reasonable rules for expediting the business of the meeting (including any informal or question-and-answer portion thereof).

2.9 Action Without a Meeting. Any action that, under the provisions of the Arizona Nonprofit Corporation Act, may be taken at a meeting of the Members may be taken without a meeting if authorized by a writing by all of the Persons who would be entitled to vote upon such an action at a meeting and filed with the Secretary of the Association.

2.10 Suspension of Voting Rights. In the event any Unit Owner is in arrears in the payment of any Assessment, late charges, monetary penalties or other fees or charges due under the terms of the Condominium Documents for a period of thirty (30) days after written notice from the Association, the Unit Owner's right to vote as a Member of the Association shall be automatically suspended and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current and for a period not to exceed sixty (60) days for any infraction of the Condominium Documents.

2.11 Membership Mandatory. The Membership of the Association shall consist of all record Owners of Units. Membership in the Association shall be mandatory and such Membership and voting rights are appurtenant to, and may not be separated from, ownership of the Unit. No Owner during his ownership of a Unit shall have the right to relinquish or terminate his Membership in the Association.

ARTICLE 3 BOARD OF DIRECTORS

3.1 Number. During the Period of Declarant Control, the affairs of this Association shall be managed by a board of two (2) directors, all of whom must be Unit Owners, spouses of Unit Owners or, in the case of a Unit Owner who is not a natural person, an authorized representative of that Unit Owner. After the Period of Declarant Control expires or is terminated, the Board shall be managed by a Board of not less than five (5) directors and not more than seven (7) directors. The Declarant may voluntarily surrender his right to appoint and remove the members of the Board of Directors before expiration or termination of the Period of Declarant Control, and in that event the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or the Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

3.2 Term of Office. All directors elected by the Unit Owners shall be elected for a term of one (1) year or until their successors are elected and qualified.

3.3 Removal. Except with respect to the members of the Board of Directors appointed by the Declarant, at any annual or special meeting of the Members any one or more of the members of the Board of Directors may be removed from the Board of Directors, with or without cause, by Members having more than two-thirds (2/3) of the votes entitled to be cast by the Members present in person or by proxy at the meeting, and a successor shall then and there be elected to fill the vacancy thereby created.

3.4 Compensation. No director shall receive compensation for any service he may render to the Association which is within his duties as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties. A director may receive compensation for services rendered to the Association which are outside his duties as a director if the payment of such compensation is approved by all of the other directors.

3.5 Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written consent of all the directors. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

3.6 Vacancies. Except with respect to members appointed by the Declarant and vacancies caused by the removal of a member of the Board of Directors by a vote of the Unit Owners as set forth in Section 3.3 of these Bylaws, all vacancies in the Board of Directors shall be filled by a vote of a majority of the remaining directors though less than a quorum or by a sole remaining director. Any person so elected shall serve the unexpired portion of the prior director's term. Any newly created directorship shall be deemed a vacancy. Any person elected to fill such a vacancy shall serve until the next annual meeting of the members.

3.7 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 the Board of Directors.

3.8 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each director, given in writing, by hand delivery, mail or telegraph, which notice shall state the time, place 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 any director.

3.9 Quorum. A majority of the directors shall constitute a quorum for the transaction of business. Except as provided in the Condominium Act, every act or decision done or made by a majority of the directors present at a duly-held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

3.10 Waiver of Notice/Attendance by Members/Notice to Members. Before any meeting of the Board, any director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice to that director. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place of the meeting unless such attendance is for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Such meetings shall be held at least once during each fiscal year and are open to all Members of the Association, provided, however, that Members who are not also Directors, may not participate in any deliberation or discussion unless authorized by a vote of the majority of a quorum of the Board and provided, further, that a portion of any meeting dealing with certain matters specified in A.R.S. §33-1248 concerning litigation and other confidential matters of the Association may be closed to the Members. Notice of the time and place of Board meetings may be given to Members by newsletter, conspicuous posting on or near the recreational Common Elements, or by any other reasonable means as determined by the Board.

3.11 Powers and Duties.

(A) The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not required by the Condominium Documents to be exercised or done by the Members. In addition to the duties imposed by these Bylaws or by any resolution of the Members that may hereafter be adopted, the Board of Directors shall have the following powers and duties:

(i) Open bank accounts on behalf of the Association and designate the signatories thereon;

(ii) Make, or contract for the making, of repairs, additions to, improvements to or alterations of the Condominium and repairs to the Common Elements, in accordance with the Condominium Documents, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(iii) In the exercise of its discretion, enforce by legal means the provisions of the Condominium Documents;

(iv) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair, and replacement of the Common Elements and provide services for the Condominium, and where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;

(v) Provide for the operation, care, upkeep and maintenance of all of the Common Elements and services of the Condominium (which may be provided by affiliates of Declarant, subject to the restrictions herein contained) and borrow money on behalf of the Association when required in connection with any one instance relating to the operation, upkeep and maintenance of the Common Elements; provided, however, the consent of Members having at least two-thirds (2/3) of the total allocated votes of each class of Membership in the Association shall be obtained in writing or at a meeting called and held for such purpose in accordance with the provisions of these Bylaws in order for the Association to borrow in excess of \$10,000;

(vi) Prepare and adopt an annual budget for the Association prior to the commencement of each fiscal year;

(vii) Adopt and publish Rules and regulations governing the use of the Common Elements and facilities and the personal conduct of the Members and their guests, lessees, invitees and family members thereon and establish penalties for the infraction thereof;

(viii) In accordance with the Condominium Documents, suspend voting rights and rights to use the Common Elements;

(ix) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the Condominium Documents;

(x) Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(xi) Employ, hire and dismiss such employees as they deem necessary and to prescribe their duties and their compensation;

(xii) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by any Member entitled to vote;

(xiii) Supervise all officers, agents and employees of the Association and see that their duties are properly performed;

(xiv) Levy Assessments, late charges, fines and penalties in accordance with the Declaration and these Bylaws and take all necessary action to collect the same;

(xv) As required by the Declaration, issue, or cause an appropriate officer to issue upon demand to any person, a certificate setting forth whether or not any Assessment has been paid;

(xvi) Procure and maintain adequate property, liability and other insurance as required by the Declaration;

(xvii) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(xviii) Prepare and file annual tax returns with the federal government and the State of Arizona and to make such elections as may be necessary to reduce or eliminate the tax liability of the Association, including an election to be taxed under Section 528 of the Internal Revenue Code or any successor statute conferring income tax benefits on homeowners associations; and

(xix) Institute, defend, and intervene in any litigation or administrative proceedings in its own name or on behalf of the Unit Owners.

(B) The Board of Directors may employ for the Condominium a "Managing Agent" at a compensation established by the Board of Directors. The Managing Agent shall perform such duties and services as the Board of Directors shall authorize, including, but not limited to, all of the duties listed in the Condominium Act and the Condominium Documents, except for such duties and services that under the Condominium Act or the Condominium Documents may not be delegated to the Managing Agent. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors or the officers of the Association by the Condominium Act and the Condominium Documents other than the following powers:

(i) To adopt the annual budget, any amendment thereto, or to assess any Common Expenses:

(ii) To adopt, repeal or amend Rules;

(iii) To designate signatories on Association bank accounts;

(iv) To borrow money on behalf of the Association; or

(v) To acquire and mortgage Units or other real property.

(C) During the Period of Declarant Control any agreement for professional management of the Condominium executed by Declarant or any contract or lease between the Association and the Declarant and/or its affiliates, may not exceed three (3) years. Any such agreements or leases must also provide for termination by either party without cause and without payment of a termination fee upon thirty (30) days' or less written notice after the Period of Declarant Control expires or is terminated and a new Board is elected by the Unit Owners.

ARTICLE 4 OFFICERS AND THEIR DUTIES

4.1 Enumeration of Officers. The principal officers of the Association shall be the president, vice-president (if the Board elects to fill such position), and a secretary/treasurer. The Board of Directors may create such other offices as the affairs of the Association may require. All officers shall be elected by the Board of Directors. During the Period of Declarant Control, all officers of the Association shall be appointed and removed by the Declarant. After the expiration or termination of the Period of Declarant Control, all officers shall be elected by the Board of Directors. The President must be a member of the Board of Directors. Any other officers may, but need not, be members of the Board of Directors.

4.2 Election of Officers. After the Period of Declarant control expires or terminates, the election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

4.3 Term. After the Period of Declarant Control expires or terminates, the officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

4.4 Resignation and Removal. Except for officers appointed by Declarant, any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.5 Vacancies. Except for officers appointed by Declarant, a vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

4.6 Multiple Offices. Any two or more offices may be held by the same person.

4.7 Powers and Duties. The powers and duties of the officers shall be as follows:

(A) President. The President shall be the chief executive officer of the Association; shall preside at all meetings of the Board of Directors or the Members; shall see that orders and resolutions of the Board of Directors are carried into effect; sign checks and promissory notes of the Association; deposit monies in bank accounts of the Association; execute amendments to the Condominium Documents on behalf of the Association and shall generally manage the business of the Association.

(B) Vice-President. The Vice-President, if the Board elects to fill this position, shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

(C) Secretary/Treasurer.

As Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board of Directors.

As Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign checks and promissory notes of the Association; shall keep proper books of account; shall prepare an annual budget and a statement of income and expenditures to be presented to the Members at the regular annual meeting, and deliver a copy of each to the Members; and, in general, perform all the duties incident to the office of Treasurer.

4.8 Officers Authorized to Execute Amendments to Declaration. Any amendments to the Declaration, including the Plat, which are required by the Condominium Act or the Declaration to be executed by the Association, may be executed by either the President or Vice-President of the Association.

4.9 Compensation. No officer shall receive compensation for any service he may render to the Association which is within his duties as an officer. However, any officer may be reimbursed for his actual expenses incurred in the performance of his duties. An officer may receive compensation for services rendered to the Association which are outside his duties as an officer if the payment of such compensation is approved by the Board.

ARTICLE 5 MONETARY PENALTIES

5.1 Power of Board of Directors to Impose Monetary Penalties. In accordance with the procedures set forth in this Article 5, the Board of Directors shall have the right to impose reasonable monetary penalties or fines against any Unit Owner who violates any provisions of the Condominium Documents other than failure to timely pay Assessments. The Association may impose late charges, charge delinquent interest and undertake the remedies specified for failure to timely pay Assessments in the Declaration without regard to any of the mandatory hearing provisions hereof. Any monetary penalty or fine imposed by the Board of Directors in accordance with this Article 5 shall be imposed only after the procedures set forth in this Article 5 have been substantially complied with.

5.2 Notice of Violation. If the Board of Directors becomes aware of a violation of the Condominium Documents and desires to impose a monetary penalty against the Unit Owner who violated the Condominium Documents, the Board of Directors shall serve the Unit Owner with written notice of the violation. The notice shall contain the following:

- (i) The nature of the alleged violation;

Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification, or matter subsequently submitted for approval.

6.4 Liability. So long as a member of the Board has acted in good faith on the basis of information actually possessed, neither the Board nor such member thereof, shall be liable to the Association, any Owner, or to any other party, for any damage, loss, or prejudice suffered or claimed on account of: (i) the approval or disapproval or any plans, drawings, or specifications, whether or not defective; (ii) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; (iii) the development of any portion of the Condominium; or (iv) the execution and filing of any estoppel certificate, whether or not the facts in the estoppel certificate are correct.

6.5 Time for Approval. In the event the Board fails to approve or disapprove any application for approval within forty-five (45) days after its receipt of the application, together with complete and legible copies of the supporting plans and specifications, the application shall be deemed approved, and further approval will not be required, and this Article 6 and Section 4.3 of the Declaration will be deemed to have been complied with; provided, further that nothing contained in these Bylaws shall be deemed to cause a waiver of the obligation for Master Association approval of any plan, drawing, specification or like matter.

CERTIFICATION

I hereby certify that the foregoing Bylaws were duly adopted by the Board of Directors of the Association on the 15th day of May, 2000.


ROBERT L. PORTER/Secretary