

1 BYLAWS OF
2 BE CONDO, INC.

3
4 ARTICLE I

5 PLAN OF APARTMENT OWNERSHIP

6 Section One: Apartment Ownership. The project located
7 on BE CONDO, according to the plat of record in the Office of the
8 County Recorder of Mohave County, Arizona, recorded November 22,
9 1981, as Rec No. 83-44269, is submitted to the
10 provisions of A.R.S. 33-551 et seq.

11 Section Two: Bylaws Applicability. The provisions of
12 these Bylaws are applicable to the project. (The term "project"
13 as used herein shall include the land.)

14 Section Three: Personal Application. All present or
15 future owners, tenants, future tenants, or their employees, or any
16 other person that might use the facilities of the project in any
17 manner, are subject to the regulation set forth in these Bylaws
18 and to the Declaration of Horizontal Property Regime Together With
19 Covenants, Conditions and Restrictions.

20 The mere acquisition or rental of any of the family
21 units, herein referred to as units, of the project or the mere act
22 of occupancy of any of the units will signify that these Bylaws
23 and provisions of the regulatory agreement are accepted, ratified
24 and will be complied with.

25 ARTICLE II

26 VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

27 Section One: Voting. Voting shall be on a one vote per
28 unit.

29 Section Two: Majority of Owners. As used in these
30 Bylaws, the term "majority of owners" shall mean those owners
31 holding Fifty-one percent (51%) of the votes in accordance with
32 the preceding paragraph of this article.

33 Section Three: Quorum. Except as otherwise provided in
34 these Bylaws, the presence in person or by proxy of a "majority of

1 owners" as defined in the preceding paragraph of this article
2 shall constitute a quorum.

3 Section Four: Proxies. Votes may be cast in person or
4 by proxy. Proxies must be filed with the secretary before the
5 appointed time of each meeting.

6 ARTICLE III

7 ADMINISTRATION

8 Section One: Association Responsibilities. The owners
9 of the units will constitute the EL CONDO, INC., hereinafter re-
10 ferred to as Association, who will have the responsibility of
11 administering the project, approving the annual budget, establish-
12 ing and collecting monthly assessments, and arranging for the
13 management of the project pursuant to an agreement containing
14 provisions relating to the duties, obligations, removal and compen-
15 sation of the management agent. Except as otherwise provided,
16 decisions and resolutions of Association shall require approval of
17 a majority of owners.

18 Section Two: Place of Meetings. Meetings of Association
19 shall be held at the principal office of the project or such other
20 suitable place convenient to the owners as may be designated by
21 the Board of Directors.

22 Section Three: Annual Meetings. The first annual meeting
23 of the Association shall be held on
24 Thereafter, annual meetings shall be held on the first Monday of
25 of each succeeding year. At such meetings, there
26 shall be elected by ballot a Board of Directors in accordance with
27 the requirements of Section Five of Article IV of these Bylaws.
28 The owners may also transact such other business of Association as
29 may properly come before them.

30 Section Four: Special Meetings. It shall be the duty
31 of the president to call a special meeting of the owners as directed
32 by resolution of the Board of Directors or on a petition signed by
33 a majority of the owners and having been presented to the secretary
34 or at the request of the Federal Housing Commissioner or his duly

1 authorized representative. No business shall be transacted at a
2 special meeting except as stated in the notice, unless by consent
3 of four-fifths (4/5) of the owners present, either in person or
4 by proxy.

5 Section Five: Notice of Meetings. It shall be the duty
6 of the secretary to mail a notice of each annual or special meet-
7 ing, stating the purpose thereof as well as the time and place of
8 the meeting, to each owner of record, at least five, but not more
9 than ten days prior to such meeting. The mailing of notice in the
10 manner provided in this section shall be considered notice served.
11 Notices of all meetings shall be mailed to the director of the
12 local insuring office of the Federal Housing Administration.

13 Section Six: Adjourned Meetings. If any meeting of
14 owners cannot be organized because a quorum has not attended, the
15 owners who are present either in person or by proxy may adjourn
16 the meeting to a time not less than 48 hours from the time the
17 original meeting was called.

18 Section Seven: Order of Business. The order of business
19 at all Association meetings shall be as follows:

- 20 (a) Roll call.
- 21 (b) Proof of notice of meeting or waiver of notices.
- 22 (c) Reading of minutes of preceding meeting.
- 23 (d) Reports of officers.
- 24 (e) Report of Federal Housing Administration
25 representative, if present.
- 26 (f) Report of committees.
- 27 (g) Election of inspectors of election.
- 28 (h) Election of directors.
- 29 (i) Unfinished business.
- 30 (j) New business.

31 ARTICLE IV

32 BOARD OF DIRECTORS

33 Section One: Number and Qualification. Association's
34 affairs shall be governed by a Board of Directors composed of

three, five or seven persons, with the initial Board of Directors to consist of five directors, all of which must be owners of units in the project.

Section Two: Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of Association's affairs and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the owners.

Section Three: Other Duties. In addition to duties imposed by these Bylaws or By resolutions of Association, the Board of Directors shall be responsible for the following:

- (a) Care, upkeep and surveillance of the project and common areas and facilities and the restricted common areas and facilities.
- (b) Collection of monthly assessments from the owners.
- (c) Designation and dismissal of the personnel necessary for the maintenance and operation of the project, the common areas and facilities, and the restricted common areas and facilities.

Section Four: Management Agent. The Board of Directors may employ for Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one-year periods, and the Association may terminate said agreement for cause upon thirty days written notice thereof.

Section Five: Election and Term of Office. At the first annual meeting of Association, the term of office of two directors shall be fixed for three years. The term of office of two directors shall be fixed at two years, and the term of office of one director shall be fixed at one year. At the expiration of the initial term of office of each respective director, his successor shall be elected to serve a term of three years. The directors shall hold office until their successors have been elected and hold their first meeting.

Section Six: Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a

1 director by a vote of Association shall be filled by vote of the
2 majority of the remaining directors, even though they may consti-
3 tute less than a quorum; and each person so elected shall be a
4 director until a successor is elected at Association's next annual
5 meeting.

6 Section Seven: Removal of Directors. At any regular or
7 special meeting duly called, any one or more of the directors may
8 be removed with or without cause by a majority of the owners, and
9 a successor may then and there be elected to fill the vacancy thus
10 created. Any director whose removal has been proposed by the
11 owners shall be given an opportunity to be heard at the meeting.

12 Section Eight: Organization Meeting. The first meeting
13 of the newly elected Board of Directors shall be held within ten
14 days of election at such place as shall be fixed by the directors
15 at the meeting at which such directors were elected, and no notice
16 shall be necessary to the newly elected directors in order legally
17 to constitute such meeting, provided a majority of the whole Board
18 shall be present.

19 Section Nine: Regular Meetings. Regular meetings of the
20 Board of Directors may be held at such time and place as shall be
21 determined, from time to time, by a majority of the directors, but
22 at least two such meetings shall be held during each fiscal year.
23 Notice of regular meetings of the Board of Directors shall be
24 given to each director, personally or by mail, telephone, or tele-
25 graph, at least three days prior to the day named for such meeting.

26 Section Ten: Special Meetings. Special meetings of the
27 Board of Directors may be called by the president on three days
28 notice to each director, given personally or by mail, telephone,
29 or telegraph, which notice shall state the time, place (as herein-
30 above provided), and purpose of the meeting. Special meetings of
31 the Board of Directors shall be called by the president or secre-
32 tary in like manner and on like notice on the written request of
33 at least three directors.

34 Section Eleven: Waiver of Notice. Before or at any

1 meeting of the Board of Directors, any director may, in writing,
2 waive notice of such meeting and such waiver shall be deemed
3 equivalent to the giving of such notice. Attendance by a director
4 at any meeting of the board shall be a waiver of notice by him of
5 the time and place thereof. If all the directors are present at
6 any meeting of the board, no notice shall be required and any
7 business may be transacted at such meeting.

8 Section Twelve: Board of Director's Quorum. At all
9 meetings of the Board of Directors, a majority of the directors
10 shall constitute a quorum for the transaction of business, and the
11 acts of the quorum shall be the acts of the Board of Directors.
12 If, at any meeting of the Board of Directors, there be less than a
13 quorum present, the members present may adjourn the meeting from
14 time to time. At any such meeting, any business that might have
15 been transacted at the meeting as originally called may be trans-
16 acted without further notice.

17 Section Thirteen: Fidelity Bonds. The Board of Direc-
18 tors shall require that all officers and employees of Association
19 handling or responsible for Association funds shall furnish ade-
20 quate fidelity bonds. The premiums of such bonds shall be paid
21 by the Association.

22 ARTICLE V

23 OFFICERS

24 Section One: Designation. The principal officers of
25 Association shall be a president, a vice-president, a secretary,
26 and a treasurer, all of whom shall be elected by and from the
27 Board of Directors. The directors may appoint an assistant
28 treasurer, and an assistant secretary, and such other officers as
29 in their judgment may be necessary.

30 Section Two: Election of Officers. The officers of
31 Association shall be elected annually by the Board of Directors
32 at the organization meeting of each new board and shall hold
33 office at the pleasure of the board.

34 Section Three: Removal of Officers. On an affirmative

1 vote of a majority of the members of the Board of Directors, any
2 officer may be removed, either with or without cause, and his
3 successor elected at any regular meeting of the Board of Directors
4 or at any special meeting of the board called for such purpose.

5 Section Four: President. The president shall be the
6 chief executive officer of the Association. He shall preside at
7 all meetings of the Association and of the Board of Directors. He
8 shall have all of the general powers and duties that are usually
9 vested in the office of the president of an Association, including
10 but not limited to the power to appoint committees from among the
11 owners from time to time as he may in his discretion decide is
12 appropriate to assist in the conduct of Association's affairs.

13 Section Five: Vice-President. The vice-president shall
14 take the place of the president and perform his duties whenever
15 the president shall be absent or unable to act. If neither the
16 president nor the vice-president is able to act, the Board of
17 Directors shall appoint some other member of the board to do so on
18 an interim basis. The vice-president shall also perform such other
19 duties as shall from time to time be imposed on him by the Board
20 of Directors.

21 Section Six: Secretary. The secretary shall keep the
22 minutes of all meetings of the Board of Directors and the minutes
23 of all meetings of Association; he shall have charge of such books
24 and papers as the Board of Directors may direct; and he shall, in
25 general, perform all the duties incident to the office of
26 secretary.

27 Section Seven: Treasurer. The treasurer shall have
28 responsibility for Association funds and securities and shall be
29 responsible for keeping full and accurate accounts of all receipts
30 and disbursements in books belonging to Association. He shall be
31 responsible for the deposit of all monies and other valuable
32 effects in the name, and to the credit of, Association in such
33 depositories as may from time to time be designated by the Board
34 of Directors.

ARTICLE VI

OBLIGATIONS OF THE OWNERS

Section One: Assessments. All owners are obligated to pay monthly assessments imposed by Association to meet all project communal expenses, which may include a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake or other hazard. The assessments shall be made for each unit owned. Each assessments shall include monthly payments to a general operating reserve and a reserve fund for replacements.

Section Two: Maintenance and Repair.

- (a) Every owner must perform promptly all maintenance and repair work within his own unit, which, if omitted, would affect the project in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.
- (b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, lamps, and all other accessories belonging to the unit area shall be at the owner's expense.
- (c) An owner shall reimburse Association for any expenditures incurred in repairing or replacing any common area and facility damages through his fault.

Section Three: Use of Family Units - Internal Changes.

- (a) All units shall be utilized for residential purposes only.
- (b) An owner shall not make structural modifications or alterations in his unit or installations located therein without previously notifying Association in writing, management agent, if any, or president of the Board of Directors, if no management agent is employed. The Association shall have the obligation to answer within sixty days, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

Section Four: Use of Common Areas and Facilities and Restricted Common Areas and Facilities.

- (a) An owner shall not place or cause to be placed in the lobbies, vestibules,

1 stairways, and other project areas and
2 facilities of a similar nature both common
3 and restricted, any furniture, packages
4 or objects of any kind. Such areas shall
be used for no other purpose than for
normal transit through them.

5 Section Five: Right of Entry.

- 6 (a) An owner shall grant the right of entry
7 to the management agent or to any other
8 person authorized by the Board of Directors
9 or Association in case of any emergency
10 originating in or threatening his unit,
11 whether the owner is present at the time
12 or not.
- 13 (b) An owner shall permit other owners, or
14 their representatives, when so required,
15 to enter his unit for the purpose of
16 installing, altering or repairing the
17 mechanical or electrical services, pro-
18 vided that requests for entry are made
19 in advance and that such entry is at a
20 time convenient to the owner. In case
21 of an emergency, such right of entry
22 shall be immediate.

23 Section Six: Rules of Conduct.

- 24 (a) No resident of the project shall post any
25 advertisements or posters of any kind in
26 or on the project except as authorized
27 by Association.
- 28 (b) Residents shall exercise extreme care in
29 making noises or using musical instruments,
30 radios, televisions and amplifiers that
31 may disturb other residents. Keeping of
32 domestic animals will be in accordance
33 with the Municipal Sanitary Regulations.
- 34 (c) Hanging of garments, rugs, and the like
from the windows or from any of the facades
of the project is prohibited.
- (d) Dusting and shaking out of rugs and the
like, from the windows or from any of the
facades of the project is prohibited.
- (e) No owner, resident, or lessee shall install
wiring for electrical or telephone installa-
tions, television antennae, machines, air
conditioning units, or the like, on the
exterior of the project or that protrude
through the walls or the roof of the
project except as authorized by
Association.
- (f) Throwing of garbage or trash outside the
disposal installations provided for such
purposes in the service area is prohibited.

ARTICLE VII

AMENDMENTS TO PLAN OF APARTMENT OWNERSHIP

Section One: Bylaws. These Bylaws may be amended by Association in a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by owners representing at least Sixty-six and two-thirds percent (66-2/3%) of the total number of all units in the project.

ARTICLE VIII

MORTGAGEES

Section One: Notice to Association. An owner who mortgages his unit shall notify Association through the management agent, if any, or the president of the Board of Directors in the event there is no management agent, the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Unit".

Section Two: 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.

Section Three: Prior Written Approval. The prior written approval of each institutional holder of a first mortgage, deed of trust or equivalent security interest, consisting of a first lien on units in the project will be required for at least the following:

- (a) The abandonment or termination of the project, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of taking by condemnation or imminent domain;
- (b) Any material amendment to the Declaration or to the Bylaws of the owners' association, including, but not limited to, any amendment which would change the percentage interest in the unit owners in the project;
- (c) The effectuation of any decision by the owners' association to terminate professional management and assume self-management of the project.

Section Four: Inspection of Records. Any institutional

1 holder of a first encumbrance on a unit in the project will, upon
2 request, be entitled to:

- 3 (a) inspect the records and books of the
4 project during normal business hours;
5 (b) Receive an annual audited financial
6 statement of the project within ninety
7 days following the end of any fiscal
8 year of the project;
9 (c) Written notice of all meetings of the
10 owners' association and be permitted
11 to designate a representative to
12 attend all such meetings.

13 Section Five: Damage or Destruction of a Unit. In the
14 event of substantial damage or destruction of any unit or any part
15 of the common elements, the institutional holder of a first encum-
16 brance on a unit will be entitled to timely written notice of any
17 such damage or destruction and no provision of any document estab-
18 lishing the project will entitle owner of a unit or other party
19 to priority over such institutional holder with respect to the
20 distribution to any such unit of any insurance proceeds.

21 Section Six: Condemnation or Imminent Domain. If any
22 unit or portion thereof or the common elements or any portion
23 thereof is made the subject matter of any condemnation or imminent
24 domain proceedings, or is otherwise sought to be acquired by a
25 condemning authority, then the institutional holder of any first
26 encumbrance on a unit will be entitled to timely written notice
27 of any such proceedings or proposed acquisition and no provision
28 of any document establishing the project will entitle the owner of
29 a unit or other party to priority over such institutional holder
30 with respect to the distribution to such unit or the proceeds of
31 any award or settlement.

32 ARTICLE IX

33 COMPLIANCE

34 These Bylaws are set forth to comply with the require-
ments of A.R.S. 33-552 et seq. In case any of these Bylaws con-
flict with the provisions of that statute, it is hereby agreed and
accepted that the provisions of the statute will apply.

Section One: To Arizona Law. These Bylaws are set forth to comply with the requirements of A.R.S. 33-352 et seq. In case any of these Bylaws conflict with the provisions of that statute, it is hereby agreed and accepted that the provisions of the statute will apply.

Section Two: By Unit Owners. The failure of any unit owner to comply with the provisions of the Declaration, Articles of Incorporation or Bylaws or equivalent document will give rise to a cause of action by the owners' association and any agreed unit owner for the recovery of damages, or for injunctive relief, or both.

Marie Jean Fickel
Secretary

APPROVED :

Chairman

