

AMENDED AND RESTATED
BYLAWS
OF
PUEBLO OWNERS ASSOCIATION

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OF

PUEBLO OWNERS ASSOCIATION

ARTICLE I

GENERAL

Section 1. Name. The name of the Association shall be Pueblo Owners Association. The name was legally changed from Boulders Carefree Unit Fourteen Owners Association on February 7, 1996.

Section 2. Principal Office. The principal office of the Association in the State of Arizona shall be located in the Property or in a nearby community, as determined by the Board of Directors. The Association may have such other offices, either inside or outside of the State of Arizona, as the Board of Directors may determine or as the affairs of the Association may require.

Section 3. Purpose. Pueblo Owners Association (Association) is an Arizona non profit corporation organized for the purpose of acting as a homeowners association, pursuant to an Amended and Restated Declaration of Covenants, Conditions and Restrictions for Pueblo Owners Association, recorded in the office of the County Recorder of Maricopa County, Arizona.

Section 4. Conflict with Declaration. Should any provision of these Bylaws be inconsistent or conflict with any provision of the Declaration, such provision of the Declaration shall supersede and take precedence over any such provision of these Bylaws.

Section 5. Application of Bylaws. All present and future Owners, Occupants and their respective licensees, invitees and employees shall be subject to and be bound by all of the provisions of these Bylaws. The act of ownership or the mere occupancy of a Lot shall establish a conclusive presumption that these Bylaws are accepted, ratified and will be complied with by such Owner or Occupant.

ARTICLE II

DEFINITIONS

Section 1. “Definitions.” The words used in these Bylaws shall have the same meaning as set forth in the Amended and Restated Declaration of Covenants, Conditions and Restrictions of the Pueblo Owners Association, as amended from time to time unless the context shall prohibit.

Section 2. “Association” shall mean Pueblo Owners Association, an Arizona nonprofit corporation, its successors and assigns.

Section 3. “Board” shall mean the Board of Directors of the Association.

Section 4. “Common Areas” shall mean all of the real property designated as Lot 33 on the

Plat of Pueblo Owners Association and an easement over that portion of each Lot located outside the front and back patio walls of each Unit for the purpose of general maintenance and landscape maintenance and as used herein shall have the same meaning as in the Declaration.

Section 5. "Common Expenses" shall mean the expenses for the operation, maintenance, repair and restoration of the Common Areas, including but not limited to, salaries, wages, payroll taxes, attorneys' and accountants' fees, supplies, materials, parts, services, maintenance, repairs and replacements, landscaping, insurance, fuel, power and adequate reserves for the restoration and replacement of the Common Areas and the appurtenances thereto. Common Expenses shall include those Common Expenses identified in the Declaration. _

Section 6. "Declaration" shall mean the Amended and Restated Declaration of Covenants, Conditions and Restrictions for, Pueblo Owners Association, originally, recorded on March 22, 1988 as document number 88-130280 of the records of the County Recorder of Maricopa County, Arizona, as recorded on _____ 2013 as Document No: _____ of the records of the County Recorder of Maricopa County, Arizona, as the same may be amended from time to time.

Section 7. "Lot" means each of the 60 numbered parcels of real property designated on the Plat of Pueblo Owners Association as Lots 1 through 32, inclusive, and 34 through 61, inclusive, together with all improvements constructed or to be constructed thereon and appurtenances thereto.

Section 8. "Majority" or "Majority of Members" shall mean the Owners of Lots holding more than fifty percent (50%) of the votes entitled to be cast with respect to the affairs of the Association.

Section 9. "Member" shall mean an Owner of a Lot. If a member is a corporation or partnership, the Member shall be represented by an officer, partner, agent or employee of such Member.

Section 10. "Mortgage" means any recorded, filed or otherwise perfected instrument given in good faith and for valuable consideration which is not a fraudulent conveyance under Arizona law as security for the performance of an obligation, including without limitation a deed of trust, but shall not include any instrument creating or evidencing solely a security interest arising under the Uniform Commercial Code. "Mortgagee" means a person secured by a Mortgage, including a trustee and beneficiary under a deed of trust; and "Mortgagor" means the party executing a Mortgage. "First Mortgage" means a Mortgage which is the first and most senior of all Mortgages upon the same property.

Section 11. "Occupant" shall mean a person or persons, other than a Member, in rightful possession of a Lot.

Section 12. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of equitable or beneficial title (or legal title if the same has merged) of any Lot. "Owner" shall include a purchaser of a Lot under an agreement for sale within the meaning of Arizona Revised Statutes §33—741. "Owner" does not include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation.

Section 13. "Person" shall mean a natural individual, corporation, partnership, trustee or other entity capable of holding title to real property.

Section 14. "Single Family Residence" shall mean a townhome, patio home or single

detached dwelling used as a residence for a single family.

ARTICLE III

MEMBERS, MEETINGS, QUORUM, AND VOTING

Section 1. Membership. All Members of Lots shall be Members of the Association as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference, including, but not limited to, paragraphs 3.1, 3.2 and 4.2 of the Declaration.

Section 2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or any other place within the State of Arizona as may be designated by the Board of Directors.

Section 3. Annual Meetings. An annual meeting of Members of the Association shall be held at least once every year, no more than fourteen (14) months after the immediately prior annual meeting, at such time and place as is determined by the Board.

Section 4. Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority of the Board, or upon written request of Members holding at least one-tenth (1/10) of the votes entitled to be cast.

Section 5. Notice of Meetings. Written notice stating the place, day and hour of any meeting of the Members shall be delivered, either personally, mail or by e-mail (to the extent allowed by law), not less than ten (10) nor more than fifty (50) days before the date of such meeting, to each Member entitled to vote at such meeting, address to the Member's address or e-mail address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. The notice of any special meeting shall also state the purpose thereof and no business shall be transacted at a special meeting except as stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice, with postage thereon prepaid.

Section 6. Waiver of Notice. By attending a meeting, whether in person or by absentee ballot, a Member waives any right the Member may have had to object to the meeting on the basis that the proper notice of the meeting was not given in accordance with these Bylaws or the statutes of the State of Arizona, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order.

Section 7. Voting. The voting rights of the Members shall be as set forth in the Declaration and such voting rights provisions are specifically incorporated herein. At all meeting of the Members a vote may be cast in person or by absentee ballot and the Board may allow for voting by some other form of delivery.

Section 8. Quorum. The presence at a meeting of Members representing one-tenth (1/10) of the Members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws.

Section 9. Conduct of Meetings. The President or other person designated by the Board of Directors shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and a record of all resolutions adopted at the meeting and all transactions occurring thereat.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be managed by a Board of three (3) Directors.

Section 2. Election and Term of Office. The members of the Board of Directors shall serve staggered, three-year terms. At each annual meeting, the Members, by plurality vote shall elect Directors to replace those Directors whose terms have expired and all such Directors shall be elected for a term of three (3) years, except that the Board shall have the right to cause a Director to be elected for less than a three (3) year term if it becomes necessary to re-establish the staggered terms. Election to the Board shall be by secret written ballot. Those candidates for the election to the Board receiving the greatest percentage of votes cast either in person or by absentee ballot at the meeting shall be elected.

Section 3. Nomination of Directors. Nominations for election to the Board may be made by Members, by the Board of Directors and if appointed by the Board, by a Nominating Committee, Nominations shall be made in accordance with a procedure established by the Board of Directors.

Section 4. Qualifications. Each Director shall be a Member or the spouse of a Member (or if a Member is a corporation, partnership or trust, a Director may be an officer, partner, beneficiary or trustee of such Member). If a Director shall cease to meet such qualifications during his term, he will thereupon cease to be a Director, and his place on the Board shall be deemed vacant.

Section 5. Removal and Vacancies. Any Director may be removed with or without cause at a special Members meeting called for such purpose in accordance with Arizona law regarding the removal of Directors, by affirmative vote of a majority of the Members voting on the matter. Any vacancy in the Board occurring because of removal of a Director by the members shall be filled by a plurality vote of the Members and any Directors so elected shall hold office until the next election of the Directors when a successor is elected and qualified. In the event of the death, resignation or removal of a Director, other than by the Members, his successor shall be selected by a majority of the remaining Members of the Board and shall serve for the unexpired term of his predecessor. When one or more Directors resigns from the Board, effective at a future time, a majority of the Directors then in office, including those who have so resigned, may fill such vacancy, vote on the vacancy to take effect when such resignation becomes effective. If by reason of death, resignation or otherwise, the Association has no Directors in office, any officer or Member may call a special meeting of the Members for the purpose of electing the Board of Directors.

Section 6. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties as a Director.

Section 7. Action Taken Without a Meeting. Except as otherwise provided by Arizona law, the Declaration, the Articles or these Bylaws, 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 approval of all

Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as shall be determined from time to time by a majority of the Directors. Such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, e-mail or telephone, at least three (3) days prior to the day named for the meeting. Notice of regular meetings of the Board shall be given to Members at least forty eight (48) hours in advance of the meeting by newsletter, conspicuous posting, or any other reasonable means as determined by the Board of Directors. The failure of any Member to receive actual notice of the meeting of the Board does not affect the validity of any action taken at that meeting.

Section 2. Special Meetings. Special meetings of the Board shall be held and called by the President of the Association or by any two (2) Directors after notice of such meeting is given to each Director, personally or by mail, e-mail or telephone forty eight (48) hours in advance of the meeting unless emergency circumstances necessitate a meeting before forty eight (48) hours notice can be given. Special meetings may also be called within a reasonable time after the presentation to the President of the Association of a petition signed by one quarter (1/4) of the Members. Notice of special meetings of the Board shall be given to Members at least forty eight (48) hours in advance of the meeting by newsletter, conspicuous posting, or any other reasonable means as determined by the Board of Directors unless emergency circumstances necessitate a meeting before forty eight (48) hours notice can be given. The notice shall specify the time and place of the meeting and the nature of any special business to be considered.

Section 3. Waiver of Notice. Attendance of a Director at a meeting shall constitute waiver of notice of such meeting except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Means of Participation. Meetings of the Board of Directors may be held by means of conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other and participation at such meeting shall constitute presence in person at the meeting. Furthermore, for any Board meetings open to the Members, the means of communication must also allow Members to hear all parties who are speaking during the meeting.

Section 5. Quorum of the Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business and the votes of a majority of the Directors present at the meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 6. Compensation. No Director shall receive any compensation from the Association for acting as such unless approved by a majority vote of the total votes in the Association at a

regular or special meeting of the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary, or a person designated by the Secretary, shall keep minutes of the Board of Directors recording all resolutions adopted by the Board of Directors and all transactions and proceedings at such meetings.

Section 8. Open Meetings and Executive Sessions. Unless the Board or a committee is permitted by Arizona law to hold a closed meeting or a closed executive session for portions of a meeting, all meetings of the Board of Directors and committees of the Association shall be open to the Members. At any open meeting of the Board of Directors, Members will be entitled to speak before the Board takes formal action on an item under discussion in addition to any other opportunities to speak. The Board of Directors may meet in closed session to discuss the following:

- (a) Legal advice from an attorney for the Board or the Association;
- (b) Pending or contemplated litigation;
- (c) Personal, health, or financial information about an individual Member of the Association, an individual employee of the Association, or an individual employee of a contractor for the Association;
- (d) Matters relating to job performance of, compensation of, health records of, or specific complaints against an individual employee of the Association, or an individual employee of a contractor of the Association who works under the direction of the Association;
- (e) An Owner's appeal of any violation cited or penalty imposed by the Association except on request of the affected Owner that the meeting be held in an open session; and
- (f) Any other matters for which the law allows the Board to meet in executive session.

Section 9. Proxies. At all meetings of the Board, a Director's vote may be cast in person or by proxy. A proxy may be granted by any Board member in favor of only another Board member or the Secretary of the Association. A proxy shall be duly executed in writing and it shall be valid only for the particular meeting designated in the proxy. All proxies must be filed with the Secretary prior to the commencement of the meeting for which the proxy is given. The proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of a notice of revocation signed by the Board member who granted the proxy. No proxy shall be valid after thirteen (13) months from the date of its execution.

ARTICLE VI

DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers and Duties. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these Bylaws directed to be done and exercised exclusively by the Members. The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on

all matters relating to the duties of a managing agent or manager, if any, which might arise between meetings of the Board of Directors. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of an annual budget in which there shall be established the contribution of each owner to the common expenses;

(b) making Assessments to defray the common expenses, capital expenditures, establishing the means and methods of collecting such Assessments, and establishing the period of the installment payments of the Regular Assessments.

(c) providing for the operation, care, upkeep, and maintenance of all of the Common Areas;

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement, of the Association's property, and the Common Areas and, where appropriate, providing 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;

(e) permit utility providers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Property;

(f) collecting the Assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;

(g) making and amending rules and regulations;

(h) opening of bank accounts on behalf of the Association and designating the signatories required;

(i) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Areas in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;

(j) enforcing by legal means the provisions of the Declaration, these Bylaws, the Design Guidelines and the rules and regulations adopted by it or any committee and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(k) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(l) paying the cost of all services rendered to the Association or its Members and not chargeable to Owners;

(m) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. All books and records shall be kept in accordance with generally accepted

accounting practices;

(n) levy fines against a Member for a violation of the Declaration, Association Rules and/or Design Guidelines by the Member or the Member's family, tenants or guests, after giving the Members notice of the violation and an opportunity to be heard; and

(o) suspend the right of a Member or any Person to use the Common Areas during any time in which any Assessment respecting such Member remains unpaid and delinquent, or for a period not to exceed sixty (60) days for any single infraction of the Association Rules or breach of this Declaration by the Member or any person for whom the Member is responsible and up to one (1) year for any subsequent violation of the same or similar provision of the Association Rules or the Declaration, and such suspension may remain in place for so long as the Member remains in violation of the Association Rules or the Declaration.

(p) elect and remove the officers of the Association.

(q) enter any Lot in which a violation of any provision of the Declaration exists, correct such violation at the expense of the Owner of such Lot and levy fines upon such Owner in an amount allowed by law.

(r) make repairs within the individual Lots or any Unit constructed thereon where such repairs are required for the welfare or safety of other Lot Owners or for the preservation or protection of the Common Area.

(s) grant or relocate easements over, across or through the Common Areas as the Board may determine to be beneficial to the Members.

(t) 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.

(u) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation or the Declaration.

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

Section 2. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Areas and facilities without the approval of the Members of the Association.

Section 3. Management Agent. The Board of Directors may employ for the Association a professional manager or agent at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the manager or agent, subject to the Board's supervision, all the powers and duties of the Board of Directors and Officers established by these Bylaws, other than the powers set forth in subparagraphs (a), (b), (g), (h), (j), (n), (o), (s), (t), (u) and (v) of Section 1 of this Article VI.

Section 4. Contracts for Performance of Association Duties and Functions. With

respect to the Common Areas or other Association responsibilities owned, and in accordance with the Articles of Incorporation and Bylaws of the Association, the Association, by and through the Board of Directors, shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with other community, neighborhood and homeowners associations, both within and within the Property.

ARTICLE VII

OFFICERS

Section 1. Enumeration of Officers. The officers of the Association shall be a President and Vice President, who shall at all times be members of the Board, a Secretary, and a Treasurer and such other officers as the Board may from time to time provide for by resolution.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board and shall each hold office for one (1) year unless such officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time prescribe.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, and the President or 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.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to fill such vacancy shall serve for the remainder of the term of the officer replaced.

Section 7. Multiple Offices. Any two or more offices may be held by the same person except the offices of President and Secretary.

Section 8. Powers and Duties. To the extent such powers and duties are not assigned or delegated to a manager pursuant to Article VI, Section 3 of these Bylaws, the powers and duties of the officers shall be as follows:

(a) President. The president shall be the chief officer of the Association; shall preside at all meetings of the Board or the Members; shall see that orders and resolutions of the Board are carried into effect; and have general and active management of the business of the Association;

(b) Vice-President. The vice-president 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;

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board 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;

(d) Treasurer. The treasurer shall be primarily responsible for overseeing the financial affairs of the Association, including receipt and deposit in appropriate bank accounts all funds of the Association and disbursement of such funds for appropriate Association purposes as set forth in the Declaration and determined by the Board; shall oversee the keeping of proper books of account and preparation of an annual budget and a statement of income and expenditures; and, in general, shall perform all the duties incident to the office of treasurer.

Section 9. Agreements, Contracts, Deeds, Lease, Checks, Etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by the President and Treasurer or by such other person or persons as may be designated by resolution of the Board of Directors.

Section 10. Committees. The Board may from time to time appoint committees, such as a Nominating Committee, Design Review Committee and other committees as the Board may deem appropriate to carry out the purpose of the Association.

(a) Such committees shall perform such duties and have the powers as may be provided in a Board Resolution establishing such committee. Each committee shall operate in accordance with the terms of the Resolution of the Board of Directors designating the committee or with the rules adopted by the Board of Directors.

ARTICLE VIII

BOOKS AND RECORDS

Section 1. Books and Records. The books, records and papers of the Association, including, but not limited to the Declaration and Bylaws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees, shall be made available for inspection by any Member or any person designated by the member in writing as the Member's representative during reasonable business hours within ten (10) business days of such request. Each Member may also purchase copies of the Association records within ten (10) business days of such request for a reasonable price, not to exceed any limit imposed by law. Notwithstanding the foregoing, the following are not subject to inspection by any party other than the Board of Directors, its management agent, if any, and its attorneys and accountants, as necessary and appropriate:

(a) Privileged communication between an attorney for the Association and the Association, including, but not limited to, legal advice from an attorney for the Board or the Association;

(b) Pending litigation;

(c) Meeting minutes or other records of a closed, executive meeting of the Board held in accordance with Arizona law;

(d) Personal, health or financial information about an individual Member of the Association, an individual employee of the Association, or an individual employee of a contractor for the Association;

(e) Records relating to job performance of, compensation of, health records of, or specific complaints against an individual employee of the Association or an individual employee of a contractor of the Association who works under the direction of the Association;

(f) Financial and other records of the Association if disclosure would violate any state or federal law; and

(g) Any other records which may be withheld pursuant to the law.

Notwithstanding the foregoing, every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and reasonable copies of documents at the expense of the Association.

Section 2. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform with established AICPA guidelines and principles, which require, without limitation, (i) a segregation of accounting duties, (ii) disbursements by check requiring two (2) signatures, and (iii) cash disbursements are limited to amounts of \$25.00 and under;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the manager or agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;

(e) any financial or other interest which the manager or agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) financial reports shall be prepared for the Association on at least a quarterly basis and more frequently if determined by the Board of Directors; and

(g) an annual financial audit, review or compilation shall be completed no later than one

hundred eighty (180) days after the close of the fiscal year and made available upon request to the Members within thirty (30) days after its completion. Ordinarily, an audit shall be prepared by an independent accountant for any fiscal year in which the gross income to the Association exceeds Seventy-Five Thousand Dollars (\$75,000.00). If a financial review or compilation is prepared, it shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without audit from the books and records of the Association.

ARTICLE IX

EXPENSES AND ASSESSMENTS

Section 1. Powers of the Board to assess members for common expenses, capital improvement expenditures and other costs in operating the Association pursuant to the Articles of Incorporation, these Bylaws and the Declaration are set forth in the Declaration and specifically Article 6 *et seq.* and are incorporated herein by reference as though set forth in full.

ARTICLE X

MISCELLANEOUS

Section 1. Indemnification. To the fullest extent permitted by the Nonprofit Corporation Act (set forth at A.R.S. § 10-3101 *et seq.*, as may be amended from time to time), every director and every officer of the Association, and members of the Design Review Committee shall be indemnified by the Association, and every other person serving as an employee or direct agent of the Association, or on behalf of the Association as a member of a committee or otherwise, shall be indemnified by the Association, against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement thereof to which he may be a party, or in which he may become involved, by reason of his serving or having served in such capacity on behalf of the Association, whether or not he is a director, officer or member of the Design Review Committee or serving in such other specified capacity at the time such expenses are incurred. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by law; provided, however, that the Association shall have the right to refuse indemnification if the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the Association, at its own expense and through counsel of its own choosing, to defend him or her in the action. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such persons may be entitled at law or otherwise.

Section 2. Committees. In addition to other committees specifically provided for in these Bylaws or the Declaration, committees comprised of such persons, formed to perform such tasks and to serve for such periods as may be designated by a resolution adopted by the Board of Directors are hereby authorized. Such committees shall perform such duties and have such powers as may be provided in the resolution. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Section 3. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors.

ARTICLE XI
CORPORATE SEAL

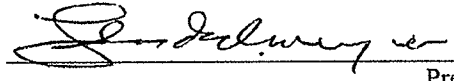
Section 1. The Association shall have a seal in a form approved by the Board of Directors.

ARTICLE XII
AMENDMENTS

Section 1. Amendment. These Bylaws may be amended by the Members through a vote of two-thirds (2/3) of the votes cast or a majority of the total votes in the Association, whichever is less.

CERTIFICATION

IN WITNESS HEREOF, the President of Pueblo Owners Association has hereunto set his hand as of this 15 day of May, 2013



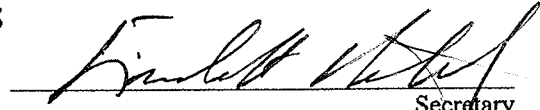
President

The undersigned does hereby certify:

THAT he is the duly elected and acting Secretary of Pueblo Owners Association an Arizona nonprofit corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of Pueblo Owners Association as duly adopted at a meeting of the Directors thereof, held on the 11 day of April, 2013

IN WITNESS HEREOF, the undersigned has hereunto set his hand and affixed the seal of the corporation as of this 3rd day of June, 2013



Secretary