

DOBSON GREENS HOMEOWNERS ASSOCIATION

BYLAWS

RATIFIED January 12, 2000

BYLAWS
OF
DOBSON GREENS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
GENERAL

Section 1. Purpose. Dobson Greens Homeowners Association, Inc. is an Arizona non-profit corporation organized for the purpose of acting as the council of co-owners, as that term is used in Arizona Revised Statutes 533-561, for the Dobson Greens, a condominium located in Maricopa County, Arizona, which was created pursuant to a Declaration of Horizontal Property Regime and Declaration of Covenants, Conditions, and Restrictions for Par 34, recorded in the office of the County Recorder of Maricopa County, Arizona.

Section 2. 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 3. Application of Bylaws. All present and future Owners, Occupants and their respective licensees, invitee, 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 Unit 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. "Association" shall mean Dobson Greens Homeowners Association, Inc., an Arizona non-profit corporation, its successors and assigns.

Section 2. "Board" shall mean the Board of Directors of the Association.

Section 3. "Common Elements" shall mean the "General Common Elements" as that term is defined in Arizona Revised Statutes 533-551(6) and as used herein shall have the same meaning as in the Declaration.

Section 4. "Common Expenses" shall mean the expenses for the operation, maintenance, repair and restoration of the Common Elements, 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 Elements and additions thereto. Common Expenses

shall include those Common Expenses identified in the Declaration.

Section 5. "Declaration" shall mean the Declaration of Horizontal Property Regime and Declaration of Covenants, Conditions and Restrictions for Par 34 recorded on October 9, 1981 in Docket 15571, at pages 1232 to 1291, inclusive, of the records of the County Recorder of Maricopa County, Arizona, as the same may be amended from time to time.

Section 6. "Eligible Mortgage Holder" means the holder of a First Mortgage on a Unit who has in writing informed the Association of such Holder's address and requested notification of and the right to participate in (if applicable) any action to be taken by the Association pursuant to the Declaration.

Section 7. "Member" shall mean an Owner of a Unit. If a member is a corporation or partnership, the member shall be represented by an officer, partner, agent or employee of such member. That person shall be named by the corporation and identified to the Association.

Section 8. "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. "Mortgagor" means the party executing a Mortgage. "First Mortgage" means a Mortgage which is the first and most senior of all the mortgages upon the same property.

Section 9. "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 Unit. "Owner" shall include a purchaser of a Unit under an agreement for sale within the meaning of Arizona Revised Statutes S.33-741. "Owner" does not include persons or entities who hold an interest in a Unit merely as security for the performance of an obligation.

Section 10. "Unit" shall mean a "Condominium" as that term is defined in Arizona Revised Statutes S.33-551(1) and as used herein shall have the same meaning as in the Declaration.

ARTICLE III. MEMBERS

Section 1. Eligibility. The membership of the Association shall consist of all the Owners of Units in Dobson Greens. Membership in the Association shall be mandatory and no Owner during his ownership of a Unit shall have the right to relinquish or terminate his membership in the

Association.

Section 2. Succession. The membership of each Unit Owner shall terminate when he ceases to be an Owner of a Unit, and his membership in the Association shall automatically be transferred to the new Owner succeeding to such ownership interest.

Section 3. Annual Meeting. The annual meeting of the members shall be held on the 2nd Wednesday of January.

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 more than one-fourth (1/4) of the Members. 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 at least fifteen (15) days prior to the date of such meeting to each member entitled to vote. Such notice shall be mailed and specify the date, place and hour of the meeting, and in the case of a special meeting, the purpose of such meeting.

Section 5. Voting Member. The Voting member shall be the Owner of the Unit. Such member shall have one vote. Cumulative voting shall not be allowed. When more than one person holds an interest in any Unit, all persons shall be members. The voting for such Unit shall be exercised as such persons among themselves determine.

Section 6. Quorum. The presence at a meeting of Members representing one-tenth (1/10) of membership shall constitute a quorum. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting without notice other than the announcement at the meeting, until a quorum shall be present or represented.

Section 7. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall automatically cease upon transfer or sale by the member of his Unit and the interest in the Common Elements.

ARTICLE IV BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be managed by a Board of five (5) Directors.

Section 2. Term of Office. Each Director shall hold office depending on votes received at the annual meeting or special meeting as proscribed in Article XII, Section 1 as follows:

- a) the two (2) persons with the highest number of votes shall serve for two (2) years from the date elected,

- b) Three (3) persons with the next highest number of votes shall serve for one year from the date elected,
- c) Three board members will be elected the next term to serve a two (2) year term
- d) Each board member elected subsequently will serve a two (2) year term.

Section 3. Qualifications. Each Director shall be a Member or the spouse of a 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 4. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association entitled to vote for the election of Directors. In the event of the death, resignation or removal of a Director, 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.

Section 5. 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 6. 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 approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V. NOMINATIONS AND ELECTIONS OF DIRECTORS

Section 1. Nomination. Nomination for the election to the Board shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting by any Member not in default. The nominating committee shall consist of a chairman, who shall be a member of the Board, and two or more Members of the Association. The nominating committee shall be appointed by the Board of Directors at least sixty days prior to each annual meeting and shall serve until such annual meeting has been concluded. The nominating committee shall make as many nominations for the election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Board shall be by written ballot. Those candidates for election to the Board receiving the greatest numbers of votes cast either in person or by proxy at the meeting shall be elected. Voting shall not be cumulative.

ARTICLE VI.
MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board shall be held monthly with out notice, at such place and hour as may be affixed from time to time by resolution of the Board. Should the date of any meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board shall be held and called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director, or 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.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. 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. The Board shall have the power to:

(a) Elect and remove the officers of the Association;

(b) Adopt and publish rules and regulations governing the use of the Common Elements and related facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(c) Suspend the right of a Member to vote and to use the Common Elements during any period when such Member shall be in default in the payment of any assessment levied by the Association. Such right may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations passed by the Board.

(d) Engage the services of an agent to maintain, repair, replace, administer and operate the Common Elements, or any part thereof, for all of the Members, upon such terms and for such compensation as the Board may approve. Any agreement for the services of any such agent shall provide for the termination by the Association with or without cause, and without payment of a termination fee, upon thirty (30) days written notice. No such agreement shall be of a duration in excess of one (1) year, renewable by agreement of the parties for successive one (1) year periods;

(e) Make repairs within the individual Units where such repairs are required for the welfare or safety of other Unit Owners or for the preservation or protection of the Common Elements;

(f) Grant or reallocate easements over, across, or through the Common Elements as

the Board may determine to be beneficial to the Members;

(g) 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. Exception: one seat on the Board is exempt from this rule should that seat be filled by an Owner residing here part time. In that case, the seat shall be declared vacant in the event such Director shall be absent for more than six (6) consecutive regular meetings; and

(h) 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.

Section 4. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and present a statement thereof to the Members at the annual meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

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

(c) As more fully provided in the Declaration, to:

(1) Administer, operate, maintain and repair the Common Elements;

(2) Determine the Common Expenses of the Association at least thirty (30) days in advance of each annual assessment period;

(3) Send written notice of each Member's proportionate share of the Common Expenses to every Member subject thereto; and

(4) Record a notice and claim of lien against any Unit and the interest in the Common Elements thereto for which assessments are not paid, and foreclose the same within a reasonable time, and bring an action at law against the Member personally obligated to pay the same.

(d) Issue, or cause an appropriate officer to issue, upon written request by any person having any interest in any Unit, a statement setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such a statement. If the statement provides that an assessment has been paid, such statement shall be conclusive evidence of such payments;

(e) Procure and maintain adequate casualty and liability insurance as more fully provided in the Declaration;

(f) Cause all officers or employees having fiscal responsibilities to be bonded in the amount not less than fifty percent (50%) of the estimated annual budget of the Association;

(g) Cause an independent audit to be conducted each fiscal year of the Association finances.

ARTICLE VII OFFICERS AND THEIR DUTIES

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 a 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, Vice President and Secretary.

Section 8. Duties. The duties of the officers shall be as follows:

(a) President - The President shall be the chief executive officer of the Association and shall supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the Members and all meetings of the Board. He may sign, with or without any other officer of the Association as authorized by the Board, deeds, mortgages, bonds, contracts or other instruments which the Board has authorized to be executed, except where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the corporation or shall be required by law to be otherwise signed. In general, he shall perform all duties incident to the office of the president and such other duties as may be prescribed by the Board.

(b) Vice President - In the absence of the President, or in the event of his death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all of the powers of, and be subject to all the restrictions upon, the President. Otherwise, shall perform only such duties as may be assigned by the President or by the Board.

(c) Secretary - The Secretary shall keep the minutes of the meetings of the Members and the Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws, or as required by law; be custodian of the records and seal of the Association, and see that the seal of the Association is affixed to all documents, when such is duly authorized; keep or cause to be kept under his general supervision by a registrar or transfer agent appointed by the Board, a register of the name and post office address of each Member as furnished by such Member; have general charge of the transfer books of the corporation; and in general perform all duties incident to the office of Secretary and such other duties as may be assigned to him by the President or by the Board.

(d) Treasurer - The Treasurer shall have the responsibility for the oversight of the financial affairs of the Association, shall report and interpret monthly financial statements to the Board and Association Members, shall make recommendations to the Board for budget adjustments, shall be the chair of the finance committee which has the responsibility to prepare the yearly budget, shall be a signatory for Association accounts and shall cause a yearly independent audit of the Association's finances to occur.

Section 9. Committees. The Association shall appoint an architectural committee, as provided in the Declaration, and a nominating committee, as provided in these Bylaws. The Board shall appoint a finance committee to prepare the annual budget and assist the Treasurer in recommendations for budget or reserve fund expenditures. In addition, the Board shall appoint other committees, as the Board may deem appropriate to carry out the purposes of the Association.

ARTICLE VIII BOOKS AND RECORDS

Section 1. The books, records and papers of the Association shall at all time, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, and copies thereof may be purchased at reasonable cost from the Association.

Section 2. Financial accountability shall be assigned to a third party who will keep proper records of all accounts, will deposit all monies in the name of the Association, shall receive and give receipts for all monies owed and payable to the Association, shall inform the Association of all delinquent accounts and shall prepare all checks of the Association for signature by the appropriate two (2) Board Officers.

ARTICLE IX COMMON EXPENSES

Section 1. Annual Budget. The Board shall cause an estimated annual budget of the Common Expenses to be prepared for each fiscal year of the Association. Such estimated annual budget shall take into account the estimated expenses and cash requirements that will be required for the operation, maintenance, repair and restoration of the Common Elements for the year, including but not limited to, salaries, wages, payroll taxes, attorneys and accountants fees, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and adequate reserves for the restoration and replacement of the Common Elements and the appurtenances thereto.

To the extent that assessments for Common Expenses received from Members during the immediately preceding year shall be more or less than the Common Expenses incurred by the Association for the preceding year the surplus or deficiency, as the case may be, shall also provide for a reserve for contingencies for the year and a reserve for restoration and replacements, in the adequate amounts as determined by the Board, provided, however, that for a period of one (1) year from and after the conveyance of the first Unit to a Unit Owner by Declarant, the Board shall maintain a working capital fund equal to at least two(2) months estimated Common Expenses. The annual budget for the Common Expenses shall not exceed one hundred fifteen percent (115%) of the annual budget for the Common Expenses for the immediately preceding fiscal year unless such budget is approved by a majority vote of the Members present or represented by proxy at an annual or special meeting of the Members.

Section 2. Assessments for Common Expenses. The estimated annual budget for the Common Expenses for each fiscal year shall be approved by the Board, and copies thereof shall be

furnished by the Board, to each Member not later than 30 days prior to the beginning of the fiscal year. On or before the first day of the first month of each fiscal year, the Board shall assess each Unit for his respective share of the expenses of operating, maintaining, repairing and restoring the Common Elements in accordance with the proportionate interest in the Common Element appurtenant to the particular Unit. The assessment levied against each Unit and each Member shall be payable in twelve (12) equal monthly installments commencing on the first day of the first month of the fiscal year and on the first day of each succeeding month thereafter. Payment of the Common Expenses, including any prepayment thereof required by any contract of the sale of a Unit, shall be payable monthly in such amounts and such manner as may be determined by the Board. Assessments for the Common Expense shall commence upon the conveyance of such Unit to a Unit Owner other than DECLARANT. In the event the Board fails to approve an estimated annual budget for the Common Expenses or fails to determine the assessments for the Common Expenses for any year, or shall be late in so doing, each member shall continue to pay on the first day of each month during the new fiscal year an amount equal to the monthly installment paid toward the assessment for the Common Expenses levied against the particular Unit for the immediately proceeding fiscal year.

Section 3. Supplemental Budget. In the event that during the course of any fiscal year, the Board shall determine that the assessments levied in accordance with the estimated annual budget for the Common Expenses for such fiscal year are insufficient or inadequate to cover the estimated expenses of operating, maintaining, repairing and restoring the Common Elements for the remainder of such fiscal year, the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of the fiscal year, a copy of which supplemental budget shall be furnished to each Member, and upon furnishing such copy the Board shall levy a supplemental assessment for such estimated deficiency against each Unit and each Member for the proportionate share of such estimated deficiency, which shall be payable in the same manner and on the same date as the then remaining balance of the original assessment for the Common Expenses for such fiscal year.

Section 4. Lien for Unpaid Assessments. Each installment of each Member's proportionate share of the Common Expenses, together with a late charge established by the Board not exceeding ten percent (10%) per annum from the due date of such installment, costs and reasonable attorneys' fees, shall constitute the personal obligation of the person who was a Member at the time such installment became due. The personal obligation for delinquent installments shall not pass to a Member's successor unless expressly assumed by such successor, provided, however, that the personal obligation shall survive any voluntary or involuntary transfer of a Unit with respect to any Member who was the Owner of such Unit at the time such installment became due. If a Member shall fail or refuse to pay any such installment when due, the amount thereof, together with a late charge established by the Board not exceeding percent ten (10%) per annum from the due date of such installment, costs and reasonable attorneys' fees shall constitute a lien on the Unit of such Member and on any rents or proceeds there from; provided, however, that such lien shall be subordinate to the lien of a recorded First Mortgage on the applicable Unit, acquired in good faith and for value, except for the amount of any unpaid installments and other

charges which accrue from and after the date on which the First Mortgagee acquires title to or comes into possession of the applicable Unit, and any lien for unpaid assessments and other charges, provided, however, that the extinguishment of such lien shall not in any way affect the personal obligation of the Member at the time the installment giving rise to such lien became due. Any such delinquent assessments which are extinguished pursuant to the foregoing provisions shall be reallocated and assessed to all Unit Owners as a Common Expense. Any person acquiring any interest in any Unit shall upon written notice to the Board be entitled to a statement from the Association setting forth the amount of unpaid installments, if any, and such person shall not be liable for, nor shall any lien attach to such Unit in excess of the amount set forth in such statement except for assessments and other charges which become due after the date thereof. The lien provided for in this section may be foreclosed by the Association in any manner provided or permitted for the foreclosure of real property, mortgages or deeds or trust in the state of Arizona.

ARTICLE X INDEMNIFICATION

Section 1. General. The Association shall indemnify and hold harmless each of its Directors and officers, each member of any committee appointed by the Board, *and* the Board against any and all liability arising out of any acts of the Directors, officers, committee members, or Board or arising out of their status as Directors, officers, committee members, or Board, unless any such act is a result of gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses including by way of illustration but not of limitation, attorneys fees and costs, reasonably incurred in connection with the defense of any claim, action or proceeding, whether civil, criminal, administrative or other, in which any such Director, officer, committee member, Board, may be involved by virtue of such person having the status of a Director, officer, committee member, Board; provided, however, that such indemnity shall not be operative with respect to any matters to which such person shall have been finally adjudged in such action or proceeding to be liable for gross negligence or criminal intent on the performance of his duties.

ARTICLE XI CORPORATE SEAL

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

ARTICLE XII AMENDMENTS

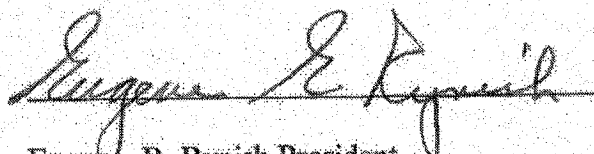
Section 1. These bylaws may be changed, modified or amended, at a regular or special meeting of the Members, by a majority vote of the Members present or represented by proxy, at a regular meeting or special meeting called for that purpose, provided, however, that Eligible

Mortgage Holders holding Mortgages on Units to which seventy five percent (75%) of the undivided interest in the Common Elements is appurtenant shall have consented in writing to any such change, modification, or amendment which establishes, provides for, governs or regulates any of the following:

1. Voting;
2. Assessments, assessment liens or subordination of such liens;
3. Reserves for maintenance, repair and replacement of the Common Elements;
4. Insurance or fidelity bonds;
5. Rights to use of the Common Elements;
6. Responsibility for maintenance and repair of the Common Elements and the Units;
7. Expansion or contraction of Dobson Greens or the addition, annexation or withdrawal of property to or from Dobson Greens;
8. Boundaries of any Unit;
9. The interests in the Common Elements;
10. Convertibility of Units into Common Elements or of Common Elements into Units;
11. Leasing of Units;
12. Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey such Owner's Unit;
13. Any provisions which are for the express benefit of Mortgage Holders, Eligible Mortgage Holders, or Eligible Insurers or Guarantors of First Mortgages on any Unit.

Any Eligible Mortgage Holder who receives a written request to approve any such change, modification or amendment and who does not notify the requesting party in the manner provided in the Declaration within thirty (30) days after receipt of such request shall be deemed to have approved such change, modification or amendment.

IN WITNESS WHEREOF, the president of Dobson Greens Homeowners Association, INC., has hereunto set his hand as of this 12th day of January month, 2000 year.


Eugene, R. Rynish President

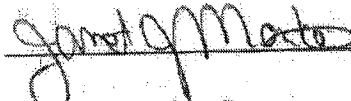
CERTIFICATION

The undersigned does hereby certify:

That she is the duly elected and acting secretary of Dobson Greens Homeowners Association, INC., an Arizona non-profit corporation, and

That the foregoing Bylaws constitute the amended original Bylaws of Dobson Greens Homeowners Association Inc., as duly adopted at a meeting of the DIRECTORS/MEMBERS) held on 12 day of January month 2000 year.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and affixed the seal of the corporation as of the 12 day of January month 2000 year.



Janet J. Menke, Secretary