

AMENDED AND RE-STATED BY-LAWS
OF
THE TOWNHOMES AT EL DORADO HOMEOWNERS ASSOCIATION

ARTICLE I
ADMINISTRATION

Section 1.1 ASSOCIATION RESPONSIBILITIES.

The association shall have the responsibility of administering the Common Property, approving the annual budget, and establishing and collecting Assessments, together with such other responsibilities as set forth in these By-Laws and the Declaration. In general, the Association shall be the representative of each homeowner for every problem which affects more than one dwelling unit.

Section 1.2 ANNUAL MEETINGS OF HOMEOWNERS.

There shall be an annual meeting of the homeowners on the first day of December of each year at such time and place convenient to the homeowners as may be designated by the Board of Directors. The Board of Directors may designate another date for such annual meeting not more than thirty (30) days before or after the date fixed for said annual meeting by written notice of the Board given to the homeowners not less than ten (10) or more than thirty (30) days prior to the date fixed for said annual meeting specifying the date, time and place thereof.

Section 1.3 SPECIAL MEETING OF HOMEOWNERS.

A special meeting of the homeowners may be called at any reasonable time and place by written notice of the Board of Directors or by the homeowners having one-fourth (1/4) of the total votes and delivered to all other homeowners not less than ten (10) days or more than thirty (30) days prior to date fixed for said meeting, specifying the date, time and the place thereof, and the nature of the business to be undertaken. No business shall be transacted at a special meeting except as stated in said notice.

Section 1.4 NOTICE OF MEETING.

It shall be the duty of the Secretary of the Association to mail or deliver a notice of each annual or special meeting within the time period specified above stating the purpose thereof as well as the date, time and place where it is to be held to each homeowner of record. The mailing or delivery of such notice to each homeowner shall be considered notice served.

Section 1.5 PROXIES.

At all meeting of the members, each member may vote in person or by proxy. All proxies shall be in writing, dated for the meeting, must be assigned to a person who will be attending the meeting, signed by the unit owner, notarized, and filed with the secretary prior to the "call to order."

Section 1.6 QUORUM AND RECESSED MEETING.

The presence at any meeting, in person or by proxy, of members entitled to cast at least one fourth (1/4) of the vote shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the homeowners, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called.

Section 1.7 ORDER OF BUSINESS.

The order of business at all regular annual meetings of the Association shall be as follows:

- a. Roll call.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading of the minutes of the preceding meeting.
- d. Report of officers.
- e. Report of committees.
- f. Election of directors.
- g. Unfinished business
- h. New business.

ARTICLE II
BOARD OF DIRECTORS

Section 2.1 NUMBER AND QUALIFICATIONS.

The affairs of the Association shall be governed by a Board of Directors comprised but not limited to seven (7) homeowners. However, it must have a minimum of five (5) homeowners.

Section 2.2 ELECTION AND TERM OF OFFICE.

Subject to the requirements of Section 2.1 of these By-Laws, the Directors shall be elected in a regular annual meeting of the association by a vote of a majority of owners present either in person or by proxy constituting a quorum, for a term of two (2) years effective January 1, 1993. The directors elected at the first regular annual meeting subsequent to the acceptance of this amendment will chose three (3) one year terms and four (4) two year terms. Subsequently, for 1994, only three (3) directors will be elected for a two (2) year term: and for 1995, four (4) directors will be elected for a two (2) year term and so on.

The Board of Directors prior to a regular annual meeting shall appoint a nominating committee to obtain a list of names of homeowners who desire to serve on the Board of Directors to be elected at the forthcoming regular annual meeting and the nominating committee shall inform the homeowners that it is accepting names of persons to serve on the Board of Directors. After the nominating committee has determined which homeowners are willing to serve on the Board of Directors, it shall prepare a list of such

Section 2.2 (cont"d)

names, and place them on the ballot and submit it with the notice of the annual meeting for the vote of the homeowner. All elections to the Board of Directors shall be made on a written ballot and the nominating committee shall count and verify the ballots collected at the regular annual meetings.

Section 2.3 VACANCIES.

Vacancies in the Board of Directors caused by any reason other than the removal of a director by vote of the homeowners shall be filled by vote of the majority of the remaining directors, even though they constitute less than a quorum; and each person so elected shall serve as a director until a successor is elected at the next regular annual meeting of the association to fill the unexpired term.

Section 2.4 REMOVAL OF DIRECTORS.

At any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by a majority of the owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director who has three (3) unexcused absences from the Board Meetings can be removed by the affirmative vote of the remaining directors and the vacancy filled as per Section 2.3. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 2.5 ORGANIZATIONAL MEETING

The first organizational meeting of the newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order to legally constitute such meeting. At that meeting, the officers elected will be a President, Vice President, Secretary and Treasurer, effective for the following calendar year.

Section 2.6 REGULAR MEETINGS.

Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least six (6) meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally by mail or telephone at least three (3) days prior to the day set for such meeting.

Section 2.7 SPECIAL MEETINGS.

Special meetings of the Board of Directors may be called by the President on three (3) days notice to each director, given personally, by mail or telephone, which notice shall state the date, time, place and purpose of the meetings. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors. Notwithstanding the foregoing, a majority of the directors may waive the three (3) days notice requirement for calling a special meeting and convene a special meeting at such date, time and place as agreed upon by the majority of directors, provided all directors have been given notice.

Section 2.8 POWERS, DUTIES AND AUTHORITY OF THE BOARD.

The Board of Directors shall have all the powers of an Arizona non-profit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Association's Articles of Incorporation, these By-Laws and the Declaration. The Board shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association, under and by virtue of said Articles, these By-Laws and the Declaration, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association.

- a. Care, upkeep and surveillance of the Common Elements and facilities.
- b. Preparation of the annual budget and allocation of the budget to the various units in accordance with the various interests in the Common Elements appurtenant thereto.
- c. Collection of monthly assessments from the Owners and the filing of liens and foreclosure thereof when necessary
- d. Employment and dismissal of the personnel necessary for the maintenance and the operation of the Common Elements and facilities.
- e. Employment of a management agent, at a compensation established by the Board of Directors to perform such duties and services as the Board shall authorize.
- f. To make repairs within the Units where such repairs are required for the welfare or safety of the Association or its residents.
- g. To obtain and keep in full force and effect fire and hazard insurance on the building and all common elements in the Association, and public liability and other insurance as required by the Declaration or as permitted and deemed necessary and advisable by the Board.
- h. To grant or relocate easements required for the benefit of the Association
- i. To adopt and amend rules and regulations and enforce the same covering the operation and use of all the property and recreational areas of the Association.
- j. To suspend, prohibit and restrain any Owner who is delinquent in the payment of any assessments or who violates any of the rules, regulations, By-Laws or Declarations from using all or any part of the recreational facilities furnished and provided upon or in connection with the Association
- k. To open bank accounts on behalf of the Association and to designate the signatories required thereof.
- l. To invest any excess funds held or controlled by the corporation in Government Treasury or Government Insured Securities.

The foregoing enumeration of specific responsibilities shall not be deemed to limit any other power or duty of the Board of Directors arising by law under the Declaration, Articles of Incorporation or these By-Laws.

Section 2.9 LIABILITY OF BOARD MEMBERS.

No member of the Board of Directors shall be personally liable to any homeowner for damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, its representatives or employees provided that such a Board Member has upon the basis of information as may be possessed by him, acted in good faith.

Section 2.10 RULES AND REGULATIONS

The Board of Directors shall have the power to adopt and publish rules and regulations governing the use of common property and such rules and regulations shall be binding upon the members of the Association.

Section 2.11 MANAGEMENT.

The Board of Directors shall be able to contract for professional management services as provided herein, legal and accounting and other services if it is deemed necessary by them for the operation and maintenance of the common property, protection of any of the common property or to be in the best interest of the homeowners.

ARTICLE III
AMENDMENTS

These By-Laws may be amended by the vote of a majority of the Board of Directors or the majority of any members present at a regular or special meeting of the corporation, provided notice of such amendment or amendments shall have been given to the members of the corporation at least one (1) month prior to the meeting thereof.

In witness whereof the Association, a non profit Arizona corporation, has here to caused its corporate name to be signed, its corporate seal affixed and the same to be attested by the signature of its duly authorized officers this 14th day of December 1995.

Townhomes at El Dorado Homeowners Association



E. Frank Beckman, President



Patrick Burns, Secretary