

F I L E

BY-LAWS

OF

LOOKOUT MOUNTAIN VILLAS

ARTICLE I

NAME AND LOCATION

The name of the corporation is LOOKOUT MOUNTAIN VILLAS, hereinafter referred to as the "Association". The principal office of the corporation shall be located in the City of Phoenix, State of Arizona, but meetings of the Members and Directors may be held at such places within the State of Arizona, County of Maricopa, as may be designated by the Board of Directors.

ARTICLE II

MEETING OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the Members of the Association shall be held on the third (3rd) Thursday of February, of each year. If the day for the annual meeting is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members of the Association may be called at any time by the President or by the Board of Directors, or upon written request of five (5) or more Members.

Section 3. Notice of Meetings. Written notice of each meeting of the Members of the Association shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such written notice, postage prepaid, at least five (5) but not more than fifteen (15) week days before such meeting, to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association or as supplied by such Member for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. Except as otherwise required by law, the Horizontal Property Regime and Covenants, Conditions and Restrictions, and all amendments thereto then in effect, and the Articles of Incorporation, a quorum shall consist of those present and voting at any regular or special meeting of the Members of the Association. Each Member shall have one vote on any question that may properly come before the meeting, except that in voting for Directors, votes may be accumulated and each Member may cast as many votes as there are Directors to be elected at the meeting.

Section 5. Proxies. At all meetings of the Association, each Member may vote in person or by proxy. All proxies shall be

in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically terminate upon conveyance of the apartment by the Member who issued the proxy.

Section 6. Order of Business. The order of business at all meetings shall follow "Robert's Rules of Order" and shall contain:

- A. Call to Order
- B. Determination of a Quorum and Requisite Majority
- C. Correction and/or Approval of Minutes of Previous Meeting
- D. Treasurer's Report
- E. Report of Officers, Boards and/or Committees
- F. Appointments or Elections, if any
- G. Old Business
- H. New Business
- I. Set Time for Future Meetings
- J. Adjourn Meeting

Section 6. Minutes of Previous Meeting. The Minutes of the previous meeting shall be prepared and made available for inspection by any Member not less than five (5) days prior to the meeting. Immediately after the Call to Order and determination of a quorum and requisite majority, the Minutes shall be read, corrected if and as needed, and approved as read or as corrected.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Board. The affairs of this Association shall be managed by a Board of not fewer than three (3) nor more than seven (7) Directors, all of whom must be Members. At the first annual meeting the Members shall elect five (5) Directors and that shall be the number of Directors until changed by amendment hereof.

Section 2. Term of Office. The term of office shall normally be three (3) years, except that at the time of organization at the first annual meeting, two (2) Directors shall take office for one (1) year, two (2) Directors shall take office for two (2) years, and the remaining Director shall take office for three (3) years.

Section 3. Removal. Any Director may be removed from the Board for cause, by a two-thirds (2/3rds) majority vote of the Members at any regular or special meeting duly called. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. 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.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the approval of all of the Directors. Any action so approved shall have the same effect as though taken at a meeting. Such action shall be reported at the next regular Board meeting and made a part of the record.

Section 6. Resignation. Any Director may resign at any time by giving written notice to the Board. Such resignation must be accepted by the Board with appropriate Board action and shall take effect at the time specified in the resignation or at a time to be specified by the Board.

ARTICLE IV

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Members. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not fewer than the number of vacancies that are to be filled. Such nominations shall be made from among the Members.

Section 2. Election. Election to the Board of Directors may be by oral vote, but shall be by secret written ballot at the request of any Member. At any election, the Members or their proxies may cast with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and Articles of Incorporation. The Members receiving the greatest number of votes shall be elected and if varying terms are available to be filled, the longer term or terms shall be filled by the Member or Members receiving the greater number of votes.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by Board action. Should said 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 of Directors shall be held when called by the Chairman of the Board, or by written request from any three (3) Directors, after not less than three (3) days notice to each Director, given personally by mail, telephone or telegraph. Said notice shall state the time, place and purpose of the meeting.

Section 2. Quorum. A majority of the Members of the Board 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.

Section 4. Minutes. The Minutes of the previous regular Board meeting shall be prepared and presented to each Board member not less than five (5) days prior to the regular meeting. Immediately after Call to Order and Roll Call, the Minutes shall be read, corrected, if and as needed and approved as read or as corrected.

Section 5. Agenda. An Agenda shall be prepared by the Secretary as directed by the Chairman for each forthcoming meeting, regular or special, setting forth the Order of Business and the nature of the business to be brought before the meeting. The Agenda shall be presented to each Board member no fewer than five (5) days prior to the meeting.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Elements and Facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof.

(b) Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and/or regulations.

(c) Exercise for the Members all powers, duties and authority vested in or delegated to the Association and not reserved to the Members by other provisions of these By-Laws, the Articles of Incorporation or the Declaration.

(d) Declare the office of a member of the Board of Directors to be vacant in the event such Board member shall be absent or tardy from three (3) consecutive Board meetings or five (5) Board meetings in any twelve (12) month period without valid excuse prior to the meeting.

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

(f) Obtain competitive quotations from vendors for any goods or services whose expenditures exceed a reasonable amount, to be fixed by the Board of Directors.

Section 2. Duties. The Board of Directors shall have the following duties:

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

(b) Supervise all Officers of this Association and see that their duties are properly performed.

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

1. Fix the amount of the annual assessment against each apartment at least thirty (30) days in advance of each annual assessment period.

2. Send written notice of each assessment to every Member subject thereto at least thirty (30) days in advance of each annual assessment period.

3. The due date for assessments to be paid is the first of the month, for that month, and is delinquent by the end of the month. There will be a late payment charge of Five Dollars (\$5.00) per month on delinquent accounts.

4. Record a Notice and Claim of Lien against any apartment for which assessments are not paid within thirty (30) days after the delinquent date, together with ten percent (10%) interest compounded monthly, and to foreclose the same within a reasonable time, or bring an action at law against the Member personally obligated to pay the same.

(d) Issue or cause an appropriate Officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an assessment has been paid such certificate shall be conclusive evidence of such payment.

(e) Procure and maintain adequate liability and hazard insurance on property managed by the Association.

(f) Cause all Officers and employees having fiscal responsibility to be bonded, as it may be deemed appropriate.

(g) Cause the Common Elements to be maintained.

(h) Give notice to all Members and residents of the following Rules, and to enforce them in any manner authorized by the Declaration, and in addition thereto, for each violation, to levy a fine of not less than Ten Dollars (\$10.00) for each occurrence, the fine to be paid with the monthly assessment, and if not paid, to bear ten percent (10%) interest until paid, and if not paid by the third (3rd) month, a lien in the amount of the assessment, fine, interest and collection costs will be placed on the apartment of the offending Member or resident.

1. No owner or resident shall permit or suffer any pet or other animal to run at large.

2. No owner or resident shall permit or suffer a pet or other animal under his or her care or control to create, and he or she shall immediately clean-up, any unsanitary conditions anywhere in the Horizontal Property Regime.

3. No owner or resident shall park a motor vehicle or trailer other than on designated streets and parking areas, and no commercial vehicle of more than two (2) tons capacity shall be parked, except for loading or unloading, on the streets or parking areas within the Horizontal Property Regime.

4. No signs shall be placed anywhere on the Common Elements without the prior written consent of the Board of Directors or the management company.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Officers. The Officers of the Association shall be a President and Vice-President, who shall be at all times Members of the Board of Directors, and a Secretary and Treasurer.

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. The Officers shall be elected from among the Members.

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

Section 4. Special Appointments. The Board may appoint 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 determine.

Section 5. Resignation and Removal. Any Officer may be removed from office for cause by Resolution of the Board. Any Officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect at the time specified therein or at such time as is specified by the Board. Resignations shall be accepted by Resolution of the Board.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer whom he replaces.

Section 7. Multiple Offices. No person shall simultaneously hold more than one office, except, in the case of special offices created pursuant to Section 4. of this Article.

Section 8. Duties. The duties of the Officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and actions to the Board are carried out; shall sign all leases, mortgages, deed and other written instruments and shall co-sign all checks and promissory notes after execution of such documents has been approved by Resolution of the Board.

(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 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 Association; keep the corporate seal of the Association and affix it on all papers requiring said seal; 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 do all necessary correspondence for the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by Resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a Public Accountant at the completion of each fiscal year; cause an audit to be made whenever there is a change of management; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Association at the annual meeting; deliver a copy of each to each Member and perform such other duties as required by the Board.

(e) Agents and Employees. The Officers shall supervise all agents and employees of the Association and see that their duties are properly performed.

ARTICLE VIII

COMMITTEES

The Board shall appoint a Nominating Committee as provided in these By-Laws. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE IX

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, Articles of Incorporation and By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies of same may be purchased at reasonable cost.

ARTICLE X

ASSESSMENTS

Each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the apartment against which the assessment is made. Each Member shall have one (1) vote in the Association and pay the proportionate share assessed by the Association, as provided for in the recorded Declaration, for each apartment owned.

ARTICLE XI

MERGER OR CONSOLIDATION

To the extent permitted by law the Association may participate in mergers and consolidations with other non-profit Associations organized for the same purpose, provided that any such merger or consolidation shall have the consent of two-thirds (2/3rds) of the entire Association.

ARTICLE XII

AMENDMENTS OR CORRECTIONS

Section 1. Amendments. These By-Laws may be amended, at a regular or special meeting of the Members or Board, by a majority of the Members present and voting.

Section 2. Conflicts. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLES XIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of each year.

IN WITNESS WHEREOF, we, being all of the Incorporators and initial Directors of LOOKOUT MOUNTAIN VILLAS, do hereby adopt these By-Laws of the Association this 31th day of December, 1980.

LEON DONGHIA

LEE ROEHLKE

SARAH HOOVER

LOOKOUT MOUNTAIN VILLAS

AMENDMENT TO THE BYLAWS

The Lookout Mountain Villas Homeowners' Association Bylaws were amended on May 18, 2005 by yes votes of fifty one percent (51%) of the apartment owners. Section 7 of the Bylaws was amended to read:

Section 7. Qualifications of Directors. A Member must meet the following qualifications to be eligible to serve as a Director: (1) the Member shall be a recorded owner; (2) the Member must have six (6) consecutive months of timely payment of all financial obligations to the Association; and, (3) if a Director currently serving on the Board becomes thirty (30) days delinquent in paying assessments or other obligations owed to the Association, the Director shall have thirty (30) additional days to bring his/her account current. A Director in violation of subsection 3 is automatically removed without further action of the Board of Directors or the Members and a Directors selected by the remaining Board members shall fill the unexpired portion of the Director's term.

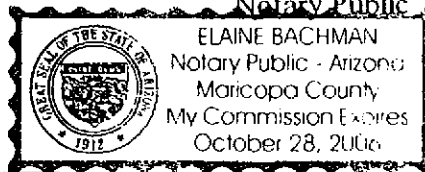
Deborah Beresford
Deborah Beresford
President DEBORAH BERESFORD

SUBSCRIBED and sworn to before me this ^{17th} ~~18th~~ day of ^{July} ~~May~~, 2005.

Elaine Bachman
Notary Public

My Commission Expires:

10/28/06



Cornelia S. Agliata
Secretary CORNELIA S. AGLIATA

SUBSCRIBED and sworn to before me this ^{17th} day of ^{July 2005} ~~December, 2004~~.

Elaine Bachman
Notary Public

My Commission Expires:

10/28/06

