

AMENDED AND RESTATED BYLAWS
OF
WATER WORKS CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

GENERAL

Section 1. Purpose. Water Works Condominium 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 33-561, for Water Works, 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 Water Works, recorded in the office of the County Recorder of Maricopa County, Arizona.

Section 2. Conflict with Declaration or Articles of Incorporation. In the case of any conflict between the Articles of Incorporation and these bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these bylaws, the Declaration shall control.

Section 3. 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 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. "Annual Assessment" shall mean the charge levied and assessed each year against each Unit.

Section 2. "Articles" shall mean the Articles of Incorporation of the Association as the same may from time to time be amended or supplemented.

Section 3. "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.

Section 4. "Voting Owners" shall mean those Owners who, pursuant to Paragraph 4.1 of the Declaration, have voting rights.

Section 5. Other words and terms used herein shall be deemed to have the same meanings, except where the context requires a different meaning, as are given those words and terms in the Declaration of Horizontal Property Regime and Declaration of Covenants, Conditions, and Restrictions for Water Works recorded on September 4, 1981, in Docket

15496, at pages 581 TO 648, inclusive, of the records of the County Recorder of Maricopa County, Arizona, as the same may be amended from time to time.

ARTICLE III

MEMBERS

Section 1. Eligibility. The membership of the Association shall consist of all Owners of Units. 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 Meetings. The annual meeting of the Members shall be held on the fourth (4) Monday of April each year, at the hour of 7:00 o'clock, P.M. If the day for the annual meeting of the Members 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 4. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 5. Notice of Meetings. 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, by mailing a copy of such notice, postage prepaid, at least fifteen (15) 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 supplied by such Member to the Association 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 6. Voting. The Association shall have one class of voting membership and the voting shall be cumulative.

Section 7. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 8. 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 be revocable and shall automatically cease upon conveyance by the Member of his Unit.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE

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

Section 2. Term of Office. Directors shall hold office for three (3) years, or until their successors are elected and qualified, provided, however, that not more than two directors shall be elected at any annual meeting whose term shall expire in the same year. Whenever several Board positions are to be filled by election, but some are for shorter terms than others, the nominees receiving the highest number of votes shall be elected to the longer terms.

Section 3. 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 or beneficiary 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 4. Removal. Any director may be removed from the Board, with or without cause, by a majority of those Persons entitled to vote as present in person or by proxy at a meeting of the membership called for that purpose. 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 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.

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

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for 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 (60) 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 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 secret written ballot or oral vote. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

Section 3. Balloting. Prior to any meetings of the membership which require secret written ballots, the secretary shall have prepared 204 packets containing printed ballots for each vote to be taken. When roll is taken, a packet will be handed out for each unit represented to the member or proxy holder in attendance. To expedite the meeting, the Secretary may begin handing out packets to those who arrive early and register.

ARTICLE VI

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 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 not in default.

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.

Section 4. Powers. The Board of directors shall have 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 promulgated 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 termination by either party with or without cause, and without payment of a termination fee, upon thirty (30) days written notice, and 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 relocate 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; and

(h) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these bylaws, the Articles, or the Declaration;

Section 5. 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 to present a statement thereof to the Members at the annual meeting of the Members, or at any special 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 this 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 appurtenant thereto for which assessments are not paid, and foreclose the same within a reasonable time and bring any action at law against the Owner personally obligated to pay the same.

(d) issue, or to 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 payment;

(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 an amount not less than one hundred fifty percent (150%) of the estimated annual budget of the Association.

(g) appoint an architectural control committee, as provided in the Declaration, and a nominating committee, as provided in these Bylaws. In addition, appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this 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 by resolution create.

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 this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be 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, determine.

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 giving written notice to the Board, the president or the 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 he replaced.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this article.

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 or executed. He shall have the power to appoint and remove one or more administrative Vice Presidents of the Association and such other assistants to the various elected officers of the Association as is necessary for the accomplishment of their duties. 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, or if there is more than one Vice President, the Senior Vice President, shall perform the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. Otherwise, such Senior and other Vice Presidents 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 charge and custody of, and be responsible for all funds and securities of the Association; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all monies in the name of the Association in such banks, trust companies or other depositories as shall be directed by the Board; shall sign all checks and promissory notes of the Association except in those instances where the Board has delegated the authority to sign checks to a managing agent employed by the Association; shall keep proper books of account; shall cause an annual audit of the books of the Association to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Members at the regular annual meeting of the Members, and shall deliver a copy of such to the Members.

ARTICLE VIII

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, the Articles and the bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE IX

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: WATER WORKS CONDOMINIUM ASSOCIATION, INC.

ARTICLE X

AMENDMENTS

These bylaws may be amended in a manner not inconsistent with the Declaration or Articles, at a regular or special meeting of the Members called for that purpose, by a vote of a majority of a quorum of Members present in person or by proxy, provided, however, that seventy-five percent, (75%) of all Institutional Holders have consented in writing to any such amendment.

These amended and restated bylaws supercede all prior bylaws of Water Works Condominium Association, Inc. and the undersigned have complied with the amendment requirements of the previous bylaws.

IN WITNESS WHEREOF, We, being all of the Directors of WATER WORKS CONDOMINIUM ASSOCIATION, INC., have hereunto set our hands this _____ day of _____, 1991.

Frederick A. Parker President

Katharine M. [Signature] Vice President

Lorence [Signature] Secretary

Elaine M. [Signature] Treasurer

Herold E. [Signature] Member