

FIRST AMENDED AND RESTATED

BYLAWS OF

VILLAGES OF CHANDLER: THE BOARDWALK HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

MEMBERS - (OWNERS)

Section 1. Eligibility

The members of Villages of Chandler: The Boardwalk Homeowners Association, Inc., an Arizona non-profit corporation (the Association), will consist of the respective Co-Owners of the Property located in Chandler, Arizona, in accordance with the respective percentages of ownership interest in the Common Elements of the Property owned by the respective Co-Owners (these and other terms are used in these Bylaws as they are defined in the Declaration of Horizontal Property Regime and Covenants, Conditions, and Restrictions for The Boardwalk at the Villages of Chandler (Declaration), which Declaration is recorded in the Office of the Maricopa County Recorder).

Section 2. Succession

The membership of each Co-Owner will terminate when he ceases to be a Co-Owner, and upon the sale, transfer or other disposition of his ownership interests in the Property, his membership in the Association will automatically be transferred to the new Co-Owner succeeding to such ownership interest including, but without limiting the generality of the foregoing, those acquiring title by means of a sheriff's deed issued as a result of a mortgage foreclosure, or a transfer of title as the result of the foreclosure or other valid enforcement of a deed of trust, or a conveyance by means of a deed in lieu of the foreclosure of any such mortgage or deed of trust, or a transfer of equitable title by the recording of an agreement of sale, provided that, where applicable, the requirements and conditions of the Declaration will have been met and fulfilled.

Section 3. Regular Meetings

The first regular annual meeting of the Co-Owners (the First Meeting) will be held within one year from the date of incorporation of the Association. Subsequent to the First Meeting, there will be a regular annual meeting of the Co-Owners held each year on a date which is within thirty (30) days of the anniversary of the First Meeting. All such meetings of Co-Owners will be held at such place in Chandler, Arizona, and at such time as specified in the written notice of such meeting which will be given to all Co-Owners at their Dwelling address at least fifteen (15) days prior to the date of such meeting.

Section 4. Special Meetings

Special meetings of the Co-Owners may be called by the President or by a majority of the Directors of the Board, or by the Co-Owners having at least two-fifths (2/5) of the votes entitled to be cast at such meeting. Special meetings will be called by delivering written notice to all Co-Owners not less than fifteen (15) days prior to the date of such meeting or not less than such time as is required under the Declaration. The notice will state the date, time and place of such special meeting and the matters to be considered.

Section 5. Delivery of Notice of Meeting

Notices of meetings will be delivered by mail to a Co-Owner at the address given to the Association by the Co-Owner for such purpose, or to the Owner's Dwelling, if no address for such purpose has been given to the Association.

Section 6. Quorum

A quorum of Co-Owners for any meeting will be constituted by Co-Owners represented in person or by proxy and holding at least 10% of the votes of each class of membership entitled to be cast at such meeting.

Section 7. Adjournments

If any meeting of Co-Owners cannot be organized because a quorum has not attended, the Co-Owners who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 8. Membership Certificates

Membership certificates in such form as will be approved by the Board may be issued to the Co-Owners. Only one certificate will be issued with respect to each Dwelling. They will be executed by the President or Vice President and countersigned by the Secretary or any Assistant Secretary of the Association. At such time as a person no longer qualifies as a Co-Owner, his membership certificate will be cancelled on the records of this Association and his certificate of membership surrendered to the Association. Surrender of the certificate of membership will not be necessary to effect a cancellation thereof. Certificates of membership will not be transferable nor will they be hypothecated or encumbered in any way.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number, Election and Term of Office

The Board of Directors of the Association (the Board) will consist of not less than three (3) nor more than nine (9) members (the Directors). Directors will be elected at the regular annual meeting of members by the

vote of Co-Owners. Those candidates for election as Director receiving the greatest percentage of the votes cast either in person or by proxy at the meeting will be elected. One member of the Board will hold office for a term of one year; one member of the Board will hold office for a term of two years; and one member of the Board will hold office for a term of three years; however, nothing contained herein will prevent any member from holding office for three years, if elected.

Section 2. Qualifications

Except for members of the First Board, each Director will be a Co-Owner or the spouse of a Co-Owner (or, if a Co-Owner is a trustee of a trust, a Director may be a beneficiary of such trust, and if a Co-Owner or such a beneficiary is a corporation or partnership, a Director may be an officer, partner or employee of such Co-Owner or beneficiary). If a Director ceases to meet such qualifications during this term, he will thereupon cease to be a Director and his place on the Board will be deemed vacant.

Section 3. Vacancies

Any vacancy occurring on the Board will be filled by majority vote of the remaining members thereof, except that a vacant position on the Board which was last filled by a member of the First Board may be filled by a person appointed by Declarant. Any Director so elected or appointed to fill a vacancy will hold office for a term equal to the unexpired term of the Director whom he succeeds.

Section 4. Annual Meetings

The first meeting of a newly elected Board will be held immediately following the annual meeting of the Co-Owners, if practicable, and in any event within ten (10) days of election, at such place as is fixed by the Directors at the meeting at which such Directors were elected, and no notice will be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board is present.

Section 5. Regular Meetings

Regular meetings of the Board may be held at such place and times as are determined from time to time by a majority of the Directors but at least one meeting will be held during each fiscal quarter. Notice of regular meetings of the Board will be given to each Director personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 6. Special Meetings

Special meetings of the Board may be called by the President on five (5) days' prior notice to each Director given personally or by mail, telephone or telegraph, which notice will state the time, place and purpose of the meeting. Special meetings of the Board will be called by the President or Secretary in like manner and on like notice upon the written request of any two (2) Directors.

Section 7. Waiver of Notice

Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver will be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board will be a waiver of notice by him of the time and place thereof. If all Directors are present at any meeting of the Board, no notice will be required and any business may be transacted at such meeting.

Section 8. Quorum

At all meetings of the Board, a majority of the Directors will constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present will be the acts of the Board. If, at any meeting of the Board, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 9. Removal

Any Director may be removed from office by a two-thirds (2/3) vote of the Co-Owners.

Section 10. Compensation

Directors will receive no compensation for their services unless expressly provided for in resolutions duly adopted by the Co-Owners, but will be reimbursed for all direct expenses incurred.

Section 11. Powers and Duties

The Board will have the following powers and duties:

(a) to elect and remove the officers of the Association as hereinafter provided;

(b) to administer the affairs of the Association and the Property;

(c) to engage the services of an agent (the Managing Agent), subject to the provisions of the Declaration; to maintain, repair, replace, administer and operate the Property or any part thereof for all of the Co-Owners, upon such terms and for such compensation and with such authority as the Board may approve; to ratify and approve a Management Agreement between Declarant, on behalf of the Association, and a management corporation, which may be a corporation related to Declarant, to act as Managing Agent for the Property. Notwithstanding any delegation of its powers and duties to a Managing Agent, the Board will not be relieved of its responsibilities under the Declaration or these Bylaws;

(d) to formulate policies for the administration, management and operation of the Property and the Common Elements thereof;

(e) to adopt rules and regulations, with written notice thereof to all Co-Owners, governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;

(f) to provide for the maintenance, repair and replacement of the Common Elements and payments therefor, and to approve payment vouchers or delegate such approval to the officers or the Managing Agent;

(g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others; to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements; and to delegate any such powers to the Managing Agent (and any such employees or other personnel who may be the employees of the Managing Agent);

(h) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(i) to determine the fiscal year of the Association and to change such fiscal year from time to time as the Board deems advisable;

(j) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Co-Owners their respective shares of such estimated expenses, as herein provided;

(k) to enter into any lease or purchase agreement for the lease or purchase of premises suitable for use as custodian condominiums, upon such terms as the Board may approve;

(l) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Co-Owners (as such majority is defined in Paragraph 1.13 of the Declaration), as expressed in resolutions duly adopted at any annual or special meeting of the Co-Owners;

(m) to enter such contracts and agreements in addition to the Management Agreement relating to the providing of maintenance, management and operational services as the Board may deem advisable, but subject to the Declaration;

(n) to enter into such leases of portions of the Common Elements as the Board may deem advisable; and

(o) to exercise all other powers and duties of the Co-Owners as a group referred to in the Act, and all powers and duties of a Board referred to in the Declaration or these Bylaws.

Section 12. Non-Delegation

Nothing in this Article or elsewhere in these Bylaws will be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been reserved exclusively to the Co-Owners.

ARTICLE III

OFFICERS

Section 1. Designation

At each regular annual meeting of the Board, the Directors present at such meeting will elect the following officers, who need not be Directors or Members, of the Association by a majority vote:

(a) a President, who will preside over the meetings of the Board and of the Co-Owners, and who will be the chief executive officer of the Association;

(b) a Secretary, who will keep the minutes of all meetings of the Board and of the Co-Owners, and who will, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the Managing Agent;

(c) a Treasurer, who will be responsible for financial records and books of accounts and the manner in which such records and books are kept and recorded; and

(d) a Vice-President or Vice-Presidents, who will perform the duties of the President, in the President's absence or in case of the President's temporary inability to act. Any Vice-President designated as "Executive Vice-President" will have authority over all other Vice-Presidents.

(e) such additional officers as the Board sees fit to elect.

Section 2. Powers

The respective officers will have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

Section 3. Term of Office

Each officer will hold office for the term of one (1) year or until his successor has been appointed or elected and qualified. An officer can serve successive terms in office.

Section 4. Vacancies

Vacancies in any office will be filled by the Board by a majority vote of the remaining members thereof at a special meeting of the Board. Any officer so elected to fill a vacancy will hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by a vote of two-thirds (2/3) of the total membership of the Board at a special meeting thereof.

Section 5. Compensation

The officers will receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by a majority of the Co-Owners, but will be reimbursed for all direct expenses incurred.

ARTICLE IV

ASSESSMENTS

Section 1. Annual Budget

The Board will cause to be prepared an estimated budget for each fiscal year of the Association. Such budget will take into account the estimated Common Expenses and cash requirements for the year, including but not limited to salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other Common Expenses. To the extent that the assessments and other cash income collected from the Co-Owners during the preceding year will be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, will also be taken into account. The annual budget will also take into account the estimated net available cash income for the year from the lease, operation or use of the Common Elements. The annual budget will provide for a reserve for contingencies for the year and an adequate reserve for replacements, maintenance and repair of those Common Elements that must be replaced on a periodic basis, in reasonable amounts as determined by the Board, and such reserve fund will be funded through the monthly payments of the Common Expenses and not by extraordinary special assessments.

Section 2. Assessments

The estimated annual budget for each fiscal year will be approved by the Board, and copies thereof will be furnished by the Board to each Co-Owner not later than thirty (30) days after the beginning of such year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Co-Owner will pay as his respective monthly assessment for the Common Expenses one-twelfth (1/12) of his proportionate share of the Common Expenses for such year as shown by the annual budget. Such proportionate share for each Co-Owner will be in accordance with his respective ownership interest in the Common Elements as set forth in the Declaration. The Board may cause to be sent to each Co-Owner on or before the first day of each month a statement of the monthly assessment of such Co-Owner for such month, but the failure to send or to receive such monthly statement will not relieve any Co-Owner of his obligation to pay his monthly assessment on or before the first day of each month. In the event that the Board does not approve an estimated annual budget or fails to determine new monthly assessments for any year or is delayed in doing so, each Co-Owner will continue to pay each month the amount of his respective monthly assessment as last determined. Each Co-Owner will pay his monthly assessment on or before the first day of each month to the

manager or Managing Agent or as may otherwise be directed by the Board. No Co-Owner will be relieved of his obligation to pay his assessments for Common Expenses by abandoning or not using his Dwelling or the Common Elements.

Section 3. Partial Year or Month

For all fiscal years prior to the first annual meeting of the Co-Owners, the annual budget will be as approved by the First Board or its successor. If such first year or any succeeding year is less than a full year, then the monthly assessments for each Co-Owner will be proportionate to the number of months and days in such period covered by such budget. Commencing with the date of occupancy of his Dwelling by each Co-Owner, he will pay his assessment for the following month or fraction of a month, which assessment will be in proportion to his respective ownership interest in the Common Elements and the number of months and days remaining in the period covered by the current annual budget, and which assessment will be as computed by the Board.

Section 4. Annual Report

Within ninety (90) days after the end of each year covered by an annual budget or as soon thereafter as is practicable, the Board will cause to be furnished to each Co-Owner a statement for such year so ended showing the receipts and expenditures for the current and prior year and such other information as the Board may deem desirable.

Section 5. Supplemental Budget, Special Assessments

In the event that during the course of any year it appears to the Board that the monthly assessments determined in accordance with the estimated annual budget for such year are insufficient or inadequate to cover the estimated Common Expenses for the remainder of such year, then the Board will prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget will be furnished to each Co-Owner. Upon a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, a supplemental or special assessment will be made to each Co-Owner for his proportionate share of such supplemental budget. Each Co-Owner will be obligated to pay such supplemental or special assessment in the manner provided by the Board.

Section 6. Capital Expenditures

Except as otherwise specifically provided in the Declaration, the Board will not approve any capital expenditure in excess of \$20,000.00 unless required for emergency repair, protection or operation of the Common Elements, nor enter into any contracts for more than two (2) years, without the prior approval of two-thirds (2/3) vote of the Co-Owners.

Section 7. Lien

A. It will be the duty of every Co-Owner to pay his proportionate share of assessments and the Common Expenses in the same ratio as his percentage of ownership in the Common Elements as set forth in the Declaration and as assessed in the manner herein provided. If a Co-Owner fails or refuses to make any such payment when due, the amount thereof will constitute a lien on the interest of such Co-Owner in the Property; provided, however, that such lien will be subordinate to the lien of a prior recorded first mortgage or a prior recorded first trust deed on the interest of such Co-Owner, except for the amount of the proportionate share of assessments or Common Expenses which become due and payable from and after the date on which the mortgage owner or holder or the trustee or beneficiary under such deed of trust acquires title to such Co-Owner's interest. The Association and the Board, and any aggrieved Co-Owner will have the authority to exercise and enforce any and all rights and remedies as provided for in the Declaration or these Bylaws or otherwise available at law or in equity for the collection of all unpaid assessments.

B. The Association or its successors and assigns, or the Board or its agents, will have the right to maintain a suit to foreclose any such lien for unpaid assessments or Common Expenses, and there will be added to the amount due the costs of such suit and other fees and expenses, together with interest at the maximum rate allowed by law and reasonable attorneys' fees to be fixed by the court. The Board or the Association will have the authority to exercise and enforce any and all rights and remedies as provided for in the Act, the Declaration or these Bylaws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments.

Section 8. Records

The Board will cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Elements specifying and itemizing the Common Expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

Section 9. Discharge of Liens

The Board may cause the Association to discharge any mechanics' lien or other encumbrance which in the opinion of the Board may constitute a lien against the Property or the Common Elements rather than against a particular Dwelling ownership only. When less than all of the Co-Owners are responsible for the existence of any such lien, the Co-Owners responsible will be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including, but without limitation, attorneys' fees and costs incurred by reason of such lien.

Section 10. Holding of Funds

All funds collected hereunder will be held and expended for the purposes designated herein, and (except for such special assessments or may be levied hereunder and under the Declaration against less than 10% of the Co-Owners and for such adjustments as may be required to reflect delinquent or

prepaid assessments) will be deemed to be held for the benefit, use and account of all the Co-Owners in the percentages set forth in the Declaration.

Section 11. Inspection of Records and Statement of Account

Any Co-Owner or first Mortgagee may inspect the Association's records of receipts and expenditures at any reasonable time during normal business hours, and, upon ten (10) days' notice to the Board of Directors or Managing Agent, if any. Upon payment of a reasonable fee, not to exceed twenty dollars (\$20.00), any Co-Owner or first mortgagee may receive copies of the Association's books and records. Any Co-Owner or first Mortgagee of such Co-Owner will be furnished a statement of account setting forth the amount of any unpaid assessments, Common Expenses or other charges due and owing from such Co-Owner.

ARTICLE V

CORPORATE SEAL

The Board will provide a suitable corporate seal containing the name of this Association, which seal will be kept by the Secretary. If so directed by the Board, a duplicate of the seal may be kept and used by the Treasurer or any Assistant Secretary or Assistant Treasurer. The seal will not be required for any purpose in connection with the corporate documents or acts, unless required by law.

ARTICLE VI

FISCAL MANAGEMENT

Section 1. Fiscal Year

The fiscal year of the Association will be the calendar year and begin on the first day of January of every year, except that the first fiscal year will begin at the date of incorporation. The commencement date of the fiscal year herein established will be subject to change by the Board should corporate practice subsequently dictate.

Section 2. Books of Account

Books of account of the Association will be kept under the direction of the Treasurer on a consistent basis in accordance with generally accepted accounting practices.

Section 3. Contracts and Conveyances

Unless otherwise provided by the Board, all contracts will be executed on behalf of the Association by either the President or Vice President and countersigned by any one of the Secretary, Treasurer, Assistant Secretary or Assistant Treasurer. Association property may be purchased, conveyed or encumbered for security of monies borrowed by authority of the Association and/or the Board. Conveyance or encumbrances will be by instrument executed by the President or the Vice President and by the Secretary or the Treasurer or an Assistant Secretary or an Assistant

Treasurer, or executed by such other person or persons to whom such authority may be delegated by the Board.

ARTICLE VII.

CONTRACTURAL POWERS

No contract or other transaction between the Association and one or more of its Directors or between the Association and any corporation, firm or association in which one or more of the Directors of the Association are Directors, or are financially interested, is void or voidable because such Director or Directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) the fact that the common directorship or financial interest is disclosed or known to the Board or Committee and noted in the minutes and the Board or Committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such interested Director or Directors; or

(b) the contract or transaction is just and reasonable as to the Association at the time it is authorized or approved.

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

ARTICLE VIII

AMENDMENTS

These Bylaws may be amended by the Co-Owners at a duly constituted meeting of the Co-Owners called for such purpose; provided, however, that no amendment will conflict with or minimize the intended effect of the provisions of the Articles of Incorporation or the Declaration. Any amendment of these By-Laws will require the affirmative approval of not less than two-thirds (66-2/3%) of the Co-Owners; provided, however, that any material amendment will require the prior written approval of at least two-thirds (2/3) of the institutional holders of a first Mortgage, deed of trust or equivalent security interest and that as long as Class B membership exists any amendment must be approved by the Veterans Administration. Such amendments will be maintained in the corporate records of the Association.

ARTICLE IX

INDEMNIFICATION

Section 1. General

The Association will, subject to compliance with the provisions of Arizona Revised Statutes Section 10-1005, indemnify and hold harmless each of its Directors and Officers, each member of any committee appointed pursuant to the Bylaws of the Association, and the Board, and Declarant, against all contractual and other liabilities to others arising out of contracts made by or other acts of such Directors, Officers, Committee Members, or Declarant, on behalf of the Co-Owners, or arising out of their status as Directors, officers, committee members or Declarant, unless any such contract or act has been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification will include indemnification against all costs and expenses (including, but not limited to, legal fees and costs, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such Director, Officer, Committee Member, or Declarant may be involved by virtue of such persons being or having been such Director, Officer, Committee Member, or Declarant; provided, however, that such indemnity will not be operative with respect to (a) any matter as to which such person will have been finally adjudged in such action, suit or proceeding to be liable for gross negligence, fraud or criminal intent in the performance of his duties as such Director, Officer, Committee Member, or Declarant, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person being adjudged liable for gross negligence, fraud or criminal intent in the performance of his duties as such Director, Officer, Committee Member, or Declarant.

Section 2. Success on Merits

To the extent that Declarant or a member of the Board or an officer of the Association or a member of any committee appointed pursuant to the Bylaws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 of this Article IX, or in defense of any claim, issue or matter therein, he will be indemnified against expenses including legal fees actually and reasonably incurred by him in connection therewith.

Section 3. Advance Payment

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case upon receipt of an undertaking, by or on behalf of the person or entity seeking such indemnification or payment in advance, to repay such amount, unless it is ultimately determined that he is entitled to be indemnified by the Association as authorized in this Article.

Section 4. Miscellaneous

Subject to the approval of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, the Association and the Board will have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article; provided, however, that the liability of any Co-Owner arising out of any contract made by or other acts of the Directors, Officers, Committee Members, or Declarant, will be limited to such proportion of the total liability hereunder as such Co-Owner's percentage of interest in the Common Elements bears to the total percentage interest of all the Co-Owners in the Common Elements. Every agreement made by the Directors, Officers, Committee Members, or Declarant or by the Managing Agent on behalf of the Co-Owners will provide that the Directors, Officers, Committee Members, Declarant or the Managing Agent, as the case may be, are acting only as agents for the Co-Owners and will have no personal liability thereunder (except as Co-Owners), and that each Co-Owner's liability thereunder will be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Co-Owners in the Common Elements. The indemnification provided by this Article IX will not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board or otherwise, both as to action in their official capacity and as to action in another capacity while holding such office. Such right to indemnification will continue as to a person or entity who has ceased to be a Director, Officer, Committee Member, or Declarant, and will inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

ARTICLE X

ADOPTION BY OWNERS

Section 1. Effective Date

These Bylaws will become effective upon their adoption by the Co-Owners constituting the council of co-owners referred to and provided for in Section 33-561 of the Arizona Revised Statutes.

Section 2. Delivery

A copy of these Bylaws and of all amendments hereto will be reduced to writing and delivered or made available to every Co-Owner.

Section 3. Ratification

All present or future Co-Owners, tenants, future tenants, or any other person that might use in any manner the facilities of the Dwellings are subject to the terms and provisions set forth in these Bylaws. The mere acquisition or rental of any of the Dwellings, or the mere act of occupancy of any part of a Dwelling will signify that these Bylaws are accepted, ratified and will be complied with in full.

ARTICLE XI

MISCELLANEOUS

Section 1. Notice to Association

Every Co-Owner will timely notify the Association of the name and address of any Mortgagee, purchaser, transferee or lessee of his Dwelling. The Association will maintain such information at the office of the Association.

Section 2. Proof of Ownership

Except for those Co-Owners who initially purchase a Dwelling from Declarant, every Person becoming a Co-Owner will immediately furnish to the Board of Directors a photocopy or a certified copy of the recorded instrument vesting in that Person such ownership, which instrument will remain in the files of the Association. A Co-Owner will not be deemed to be in good standing nor will he be entitled to vote at any annual or special meeting of Co-Owners unless this requirement is first met.

Section 3. Compliance

These Bylaws are intended to comply with the requirements of the Arizona Horizontal Property Regimes Act (Act). If any of the provisions of these Bylaws conflict with the provisions of the Act, as the Act may be amended, it is hereby agreed that the provisions of such Act will prevail and apply.

Section 4. Character of Association

This Association is not organized for profit. No Director, Officer or Member will receive any pecuniary profit from the operation thereof, and in no event will any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of, any Director, Officer, or Member, except upon a dissolution of the Association; provided, however, (a) that reasonable compensation may be paid to any manager, Director, or Officer while acting as an agent or employee of the Association for service rendered in effecting one or more of the purposes of the Association, and (b) that any Manager, Director, or Officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

The undersigned Secretary of Villages of Chandler: The Boardwalk Homeowners Association, Inc. does certify that the above and foregoing First Amended and Restated Bylaws were duly adopted on the 14th day of November, 1983, and that they do now constitute the Bylaws of the Association.

James Mascolo
Secretary