

MONTE VISTA HOMEOWNERS ASSOCIATION
AMENDED BY-LAWS
EFFECTIVE AT THE SPECIAL MEETING HELD ON
APRIL 21, 2004

PLEASE ADD THIS MEMO TO YOUR CURRENT BY-LAWS AND MAKE THE FOLLOWING CHANGES TO THEM:

- 1. Page 2 - Article IV, Section 4.1:....“on termination of the class B Membership, the number of directors shall be not less than three and not greater than seven.”**

- 2. Page 3 - Article V, Section 5.2.... “....the term of office for Board members will be based on staggered terms of which three members will be elected each year, which will allow for at least two member to remain on the board, before re-election. This will allow for continuity from year to year.”**

If you have any questions regarding this, please do not hesitate to contact the management company. These changes to the by-laws were passed at a duly called special meeting on April 21, 2004.

BY LAWS
OF
MONTE VISTA HOMEOWNERS ASSOCIATION, INC.
HOMEOWNERS ASSOCIATION

Pursuant to the provisions of Article 1, Chapter 5, Title 10, Arizona Revised Statutes, Monte Vista Homeowners Association, Inc., hereby adopts the following Bylaws:

ARTICLE I
NAME AND LOCATION

The name of the corporation is Monte Vista Homeowners Association, Inc., hereinafter referred to as the " Association". The initial principal office of the corporation shall be located at 1200 North El Dorado Place, Tucson, Arizona, 85715, but the principal office may be changed and meetings of Members and Directors may be held at such places within the State of Arizona, as maybe designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 2.1. "Association" shall mean and refer to Monte Vista Homeowners Association, an Arizona nonprofit corporation, its successors and assigns.

Section 2.2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions, and Restrictions for Monte Vista.

Section 2.3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 2.4. "Lot" shall mean and refer to Lots shown upon any recorded subdivision map of the Properties with the exception of the Common Area. "Lot" shall include lots and common areas later annexed in accordance with the Declaration.

Section 2.5. "Owner" shall mean the Record holder of legal title to the fee simple interest any Lot or Parcel or in the case of a Recorded "contract" (as that term is defined in A.R.S. §33-741(2)), the holder, of Record, of the purchaser's or vendee's interest under said contract, but excluding others who hold such title merely as security. If fee simple title to a Lot or Parcel is vested of Record in a trustee pursuant to A.R.S. §33-801 et seq., for purposes of this Declaration legal title shall be deemed to be held by the trustor (or the trustor's successor of Record), and not by the trustee. An Owner shall include any Person who holds Record title to a Lot or Parcel in joint ownership or as an undivided fee interest.

Section 2.6. "Declarant" shall mean and refer to Whetstone Group, L L.C., an Arizona limited liability company, and its successors and assigns.

Section 2.7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions for Monte Vista recorded in the Office of the Pima County Recorder, State of Arizona, as may be amended.

Section 2.8. "Member" mean any Owner, including Declarant for so long as Declarant is a Class A or Class B Member as defined in the Declaration.

ARTICLE III MEETING OF MEMBERS

Section 3.1. Annual Meetings. There shall be an annual meeting of the members on the third Tuesday in May of each year at such time and place convenient to the Owners as may be designated by the Board of Directors. The Board 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 Owners not less than ten (10) nor more than sixty (60) days prior to the date fixed for said annual meeting specifying the date, time, and place thereof.

Section 3.2. Special Meetings. Special meeting of the Members may be called at any time by the President, by a majority of the Board of Directors, by Declarant, or upon written request of Members who are entitled to vote one tenth (1/10) of all the votes of the Class A Membership.

Section 3.3. 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, within the time period specified above, 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 3.4. 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 each class of membership shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, 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 represented.

Section 3.5. Proxies. At all meeting 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 Lot.

ARTICLE IV BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 4.1. Number and Term of Office. The affairs of this Association shall be managed by a Board of Directors who must be members. The initial Board of Directors shall be composed of two members. On termination of the Class B Membership, the number of Directors shall be not less than three nor greater than seven as changed in the 2004 Annual Meeting. The Board of Directors may succeed themselves indefinitely, but in no instance shall there be more than one (1) board member from each dwelling unit. As of the 2004 Annual Meeting, the Board of Directors length of term has been changed to a three year staggered term. The Board of Directors may appoint various committees at its discretion. The Board of Directors may appoint or engage a manager to be responsible for the day-to-day operation of the Association and the Common Areas. The Board of Directors shall determine the compensation to be paid to the manager, which may include transfer fees from certain property transactions.

Section 4.2. Removal. Any director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members of the Association, except that the Declarant shall appoint the directors during the pendency of the Class B Membership as provided in the Declaration, and no director may be removed without Declarant's consent during such time. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor.

Section 4.3. 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 4.4. 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 the directors.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 5.1. Nomination. When there is no longer a Class B membership, nomination for election to the Board of Directors shall be made by a Nominating Committee, and 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 or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, 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 less than the number of vacancies that are to be filled. Such nominations may be made from among Members.

Section 5.2. Election. When there is no longer a Class B Member, election to the Board of Directors shall be by secret written ballot. 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. Cumulative voting is not permitted.

Section 5.3. Right of Appointment. Notwithstanding the above, the Directors shall, so long as the Class B Membership exists, be nominated, appointed or removed solely by the Declarant.

ARTICLE VI MEETINGS OF DIRECTORS

Section 6.1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least one (1) such meeting shall be held during each fiscal year. Notice shall be given to each Director personally, by mail or telephone, at least 3 days prior to the day set for the meeting.

Section 6.2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than one (1) day notice to each director.

Section 6.3. 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 of Directors.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1. Powers. In addition to all other powers, the Board of Directors shall have power

to:

(a) adopt and publish rules and regulations governing the use of the Common Area 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 the 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 regulations;

(c) 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 of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

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

(f) grant easements over, across or under the Common Areas for public utilities, ingress, egress and such other purposes as may be deemed advisable by the Board of Directors.

Section 7.2. Duties It shall be the duty of the Board of Directors to:

(a) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same, provided same is cost effective in the sole discretion of the Board of Directors.

(b) 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 of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(c) procure and maintain liability and hazard insurance on property owned by the Association in amounts determined by the Board of Directors in their sole discretion;

(d) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(e) cause the Common Area to be maintained.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

Section 8.1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board of Directors may from time to time by resolution to create. At the discretion of the Board of Directors, the same person may hold more than one office, although the same person shall not act as both President and Secretary.

Section 8.2. 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 8.3. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 8.4. Special Appointments. The Board of Directors 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 of Directors may, from time to time, determine.

Section 8.5. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, 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 8.6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 8.7. Multiple Offices. The offices of secretary and treasurer, and president 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 8.8. Duties. The duties of the officers are as follows:

PRESIDENT

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes, if a co-signature requirement is imposed by the Board of Directors.

VICE PRESIDENT

(b) 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 other duties as may be required by him by the Board of Directors.

SECRETARY

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings

of the Board of Directors and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board of Directors.

TREASURER

(d) The treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws, subject to Declarant's rights to appoint the Architectural Committee pursuant to the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X 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 of Incorporation 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 XI ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent, and shall be subject to delinquent interest as provided in the Declaration. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area of abandonment of his Lot.

Undeveloped lots owned by Declarant are not subject to assessments as provided in the Declaration. Assessments on lots owned by a Developer Owner are subject to assessment at a lesser rate as provided in the Declaration.

ARTICLE XII AMENDMENTS - CONFLICTS

Section 12.1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of the votes entitled to be cast at a meeting of a quorum of Members present in person or by proxy, except that the U.S. Department of Housing and Urban Development or the Veterans Administration shall have the right to veto amendments while there is Class B Membership.

Section 12.2. 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 or the Articles, the Declaration shall control. Each owner shall, in addition, be subject to all provisions of the Declaration.

ARTICLE XIII
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

These Bylaws shall be interpreted and enforced in a manner consistent with the Declaration and, in the event of a conflict between the terms of these Bylaws and the terms of the Declaration the terms of the Declaration shall control.

IN WITNESS WHEREOF, the Association, a non-profit Arizona Corporation, has hereunto caused its corporate name to be signed and attested by the signature of its duly authorized officer this 30th day of June, 1999.

MONTE VISTA HOMEOWNERS ASSOCIATION

BY Maureen Dowers
Maureen Dowers, President

CERTIFICATE OF SECRETARY:

(1) That I am the present duly elected and acting Secretary of MONTE VISTA HOMEOWNERS ASSOCIATION, an Arizona non-profit corporation; and

(2) That the foregoing Bylaws, comprising seven (7) pages constitute the original Bylaws of said corporation as duly adopted at the first meeting of the Board of Directors therefore duly held on this 30 day of June, 1999.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of June, 1999.

BY Dan Stringham
Dan Stringham, Secretary