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BY-LAWS
OF
TANQUE VERDE ESTATES

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OF
TANQUE VERDE ESTATES

ARTICLE I

DEFINITIONS AND APPLICABILITY

Section 1.01. Definitions. Unless the context otherwise specifies or requires, the words and phrases used in these By-Laws shall have the same meaning as defined in Article I of the Declaration of Covenants, Conditions and Restrictions of TANQUE VERDE ESTATES, recorded July 22,
1980, in Book 6326 at pages 1176 through 1224, in the office of the County Recorder of Pima County, State of Arizona. "Majority of owners" as used herein shall mean the Homeowners owning more than one-half of the dwelling units authorized to vote in accordance with the Declaration.

Section 1.02 By-Law Applicability. The provisions of these By-Laws shall be applicable to the Property which shall include all buildings erected, and all improvements made or to be made thereon.

Section 1.03 Personal Application. All present or future homeowners, tenants, or their employees, or any other person that might use the facilities on the Property in any manner, are subject to the regulations set forth in these By-Laws.

The mere acquisition or rental of any dwelling unit will signify that these By-Laws are accepted, ratified and will be adhered to by such Purchaser or tenant.

ARTICLE II

MEMBERSHIP AND VOTING

Section 2.01

A. Certificate of Membership. Each homeowner is automatically a member of the Association. The Association shall, upon incorporation, issue the same number of certificates of membership in the Association as there are dwelling units to Developer and one certificate of membership shall be transferred by Developer to each homeowner of record. In the event any dwelling unit is owned by two or more persons, and said persons shall designate to the Association, in writing, the one of their number authorized to vote said certificate at any and all meetings of the Association. No certificate shall be transferred to any person or persons other than another homeowner of record. Any member who has disposed of all his interest in any dwelling unit shall forthwith surrender his certificate evidencing membership in the Association, and a new certificate shall be issued in the name of the person or persons or entity acquiring his interest in a dwelling unit. Failure to surrender such certificate shall, nevertheless, upon the sale by a member of his interest in any dwelling unit void his certificate and all of his rights as a member of the Association.

B. Membership Transfers. No certificate of membership in the Association held by a homeowner shall be transferred, pledged or alienated in any way except upon the sale of his dwelling unit, and then only to the purchaser of his dwelling unit. Any attempt to make a prohibited transfer shall be void and will not be reflected upon the books of the Association. In the event a homeowner shall fail or refuse to transfer the certificate registered in his name to the purchaser of his dwelling unit, the Association shall have the right to record the transfer upon the books of the Association and issue a new certificate to such purchaser, and thereupon the old certificate outstanding to such purchaser, and thereupon the old certificate outstanding in the name of the seller shall automatically be null and void as though it had been surrendered.

Section 2.02 Voting. Homeowners shall have the number of votes for each dwelling unit owned as provided for in Article VII of the Articles of Incorporation and the right to vote may not be severed or separated from the ownership of a dwelling unit, except that any homeowner may give a proxy as provided for in the following Section 2.03. Any homeowner not in arrears in the payment of assessment as authorized by these By-laws and the Declaration shall be entitled to vote.

Section 2.03 Proxies. Votes may be cast by proxy provided that proxies are filed with the Secretary of the Association before the appointed time of the meeting.

ARTICLE III

ADMINISTRATION

Section 3.01 Association Responsibilities. The Association shall have the responsibility of administering the common property, approving the annual budget, establishing and collecting assessments together with such other responsibilities as set forth in these By-laws and the Declaration. In general, the Association shall be the representative of each homeowner for every problem which affects more than one dwelling unit.

Section 3.02 Annual Meetings of Homeowners. There shall be an annual meeting of the homeowners on the 15th day of October of each year at such time and place convenient to the homeowners as may be designated by the Board of Directors. The Board of Directors may designate another date for such annual meeting not more than thirty (30) days before or after the date fixed for said annual meeting by written notice of the Board given to the homeowners not less than ten (10) nor more than thirty (30) days prior to the date fixed for said annual meeting specifying the date, time and place thereof.

Section 3.03 Special Meetings of Homeowners. A special meeting of the homeowners may be called at any reasonable time and place by written notice of the Board of Directors or by the homeowners having one-fifth (1/5th) of the total votes and delivered to all other homeowners not less than ten (10) days nor more than sixty (60) days prior to the date fixed for said meeting, specifying the date, time and place thereof, and the nature of the business to be undertaken. No business shall be transacted at a special meeting except as stated in said notice unless by consent of a majority of owners present, either in person or by proxy.

Section 3.04 Notice of Meeting. It shall be the duty of the Secretary of the Association to mail or deliver a notice of each annual or special meeting within the time period specified above stating the purpose thereof as well as the date, time and place where it is to be held to each homeowner of record. The mailing or delivery of such notice to each homeowner shall be considered notice served.

Section 3.05 Quorum and Adjourned Meeting. The presence at any meeting, in person or by proxy, of the homeowners entitled to vote at least a majority of the total votes shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the homeowners present, either in person or by proxy, may, adjourn the meeting to a time not less than forty-eight (48) hours nor

more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the homeowners present either in person or by proxy entitled to vote at least twenty-five (25%) percent of the total votes. Except as otherwise provided herein, or in the Declaration in Section 6.05, any action may be taken at any meeting of the homeowners upon the affirmative vote of the homeowners having a majority of the total votes present at such meeting either in person or by proxy.

Section 3.06 Order of Business. The order of business at all regular annual meetings of the Association shall be as follows:

1. Roll Call
2. Proof of notice of meeting or waiver of notice.
3. Reading of the minutes of preceding meeting.
4. Report of officers.
5. Report of committees.
6. Election of Directors.
7. Unfinished business.
8. New business.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.01 Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors, who need not be Homeowners, comprised of not more than nine (9) persons, nor less than five (5) persons.

Section 4.02 Election and Term of Office. Subject to the requirements of Section 4.01 of these By-laws, the Directors shall be elected in a regular annual meeting of the Association by a vote of a majority of owners present either in person or by proxy constituting a quorum, for a term of one (1) year unless a longer term is authorized as hereinafter provided and shall hold office until their successors are elected and qualify. The members of the Board may succeed themselves indefinitely but, in no instance, shall there be more than one (1) board member from each dwelling unit.

The Board of Directors prior to a regular annual meeting shall appoint a nominating committee to obtain a list of names of homeowners who desire to serve on the Board of Directors to be elected at the forthcoming regular meeting and the nominating committee shall inform the homeowners that it is accepting names of persons to serve on the Board of Directors. After the nominating committee has determined which homeowners are willing to serve on the Board of Directors, it shall prepare a list of such names and submit it at the next regular annual meeting for a vote of the homeowners. A homeowner may be elected to the Board of Directors even though his name does not appear on the list prepared by the nominating committee. The nominating committee shall count and verify the ballots collected at the regular annual meetings.

Upon the sale of all of the dwelling units by the Declarant, and for the purpose of maintaining continuity in the administration of the affairs of the Association, at least two (2) members of the Board who have previously served a one (1) year term on the Board of Directors shall remain as members of the Board for the following term. The Board by majority approval shall determine which two (2) members of the Board shall remain on the Board for the following term and these Board members shall not be voted upon at the next regular annual meeting but shall automatically become a member of the Board elected at such regular annual meeting.

Section 4.03 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by vote of the homeowners shall be filled by vote of the majority of the remaining Directors, even though they constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next regular annual meeting of the Association.

Section 4.04 Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 4.05 Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the whole Board shall be present.

Section 4.06 Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail or telephone at least three (3) days prior to the day set for such meeting.

Section 4.07 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) day's notice to each Director, given personally by mail or telephone, which notice shall state the date, time and place and purpose of the meetings. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors. Notwithstanding the foregoing, a majority of the Directors may waive the three (3) days's notice requirement for calling a special meeting and convene a special meeting at such date, time and place as agreed upon the the majority of Directors.

Section 4.08 Board of Directors Quorum. At all meetings of the Board of Directors, a majority of the Directors shall 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 shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting, from time to time. At any such adjourned meeting, providing a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4.09 Powers and Authority of the Board. The Board of Directors shall have all the powers of an Arizona non-profit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Association's Articles of Incorporation, these By-Laws and the Declaration. The Board shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of said Articles, these By-Laws and the Declaration, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association. Without in any way limited the generality of any of the foregoing provisions, the Board shall have the power and authority at any time to do the following:

(A) Care, upkeep, repair and supervision of the common areas and facilities as set forth in Section 4.04 of the Declaration. The Board shall determine all maintenance and repair expenses on the basis of at least three (3) independent bids, whenever possible; the bids shall be submitted by reputable contractors or persons in the business of performing said maintenance and repairs. The Board shall select the best bid which need not be the lowest bid and the Board's decision in this regard shall be final and conclusive.

(B) Collection of assessments from Homeowners.

(C) Designation and dismissal of personnel necessary for the maintenance and operation of the common property.

(D) Maintain insurance coverage as provided for in Section 4.05 of the Declaration and to use the insurance proceeds to repair and replace any damage or destruction of property, real or personal, covered by such insurance and pay any balance remaining to the Developer and homeowners and their mortgagees as their interest may appear.

(E) To grant and convey to any person easements, rights-of-way, parcels or strips of land in, or, over or under any common areas for the purpose of constructing, erecting, operating or maintaining thereof, therein and thereunder (1) roads, streets, walks, driveways, parkways, and park areas; (2) temporary overhead or permanent underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating power, telephone, cable T.V., and other purposes; (3)

sewers, storm drains and pipes, water systems, water, heating and gas lines or pipes; and (4) any similar public or quasi-public improvements or facilities.

(F) To retain and pay for legal and accounting services necessary or proper in the operation of the common area and facilities, enforcement of these By-laws and the declaration, or in any of the other duties or rights of the Association.

(G) To maintain and repair the private water systems, drainage and other easements, roads, roadway rights-of-way, parking lots, median strips, entry details, walls or other areas not maintained by governmental entities.

(H) To obtain or pay for, as the case may be, any other property, or services, which the Board deems necessary including security services for the common areas and facilities.

(I) To enter at any reasonable time upon any exterior portion of any dwelling unit for the purpose of carrying out its duties and obligations for exterior maintenance and landscaping pursuant to Section 4.04 of the Declaration.

(J) In the event any property owned by the Association or exterior of any dwelling unit is damaged or destroyed by a homeowner or any of his guest, agents or members of his family, it shall be the responsibility of such homeowner to repair such damage in good workmanlike manner in conformance with the original plans and specifications.

In the event that such homeowner fails to make or complete such repairs within a reasonable length of time, such homeowner does hereby irrevocably authorize the Association to repair said damage, and the Association shall so repair said damage in good workmanlike manner in conformance with the original plans and specifications. Said homeowner shall then repay the Association in the amount actually expended for said repairs.

In the event of a dispute between a homeowner and the Board of Directors with respect to the cause of damage or the extent of repairs necessitated or with respect to the cost thereof, then upon written request of the homeowner deliver to the Association, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the Association. If no such rules have been adopted, then the matter shall be submitted to three (3) arbitrators, one chosen by the Board of Directors, one chosen by said homeowner and these two arbitrators shall choose a third arbitrator. If the two arbitrators cannot agree as to the selection of the third arbitrator, then the same shall be selected by the presiding Judge of the Superior Court of Pima County, Arizona. A determination by any two of the three arbitrators shall be binding upon said homeowner and the Association who shall share the cost of arbitration equally. In the event one party fails to choose any arbitrator within ten (10) days after receipt of a request in writing for arbitration from the other

party, then said other party shall have the right and authority to choose both arbitrators.

(K) To regulate the use and provide for appropriate safety measures for all private roadways and parking areas.

(L) To construct new improvements or additions to the common areas or demolish or replace existing improvements; provided that in the case of any improvements, additions, or demolition (other than maintenance or repairs to existing improvements and reconstruction made pursuant to Section 4.16 hereof) involving a total expenditure in excess of One Thousand and No/100 (\$1,000.00) Dollars, the vote of homeowners having two-thirds (2/3) of the total vote present, voting either in person or by proxy at an annual or special meeting called for the purpose of approving plans and a maximum total cost therefor shall first be obtained. The Board shall levy a special assessment on all homeowners for the cost of such work pursuant to these By-laws and the ratio.

(M) To assign guest parking spaces.

(N) To select and employ a Trust Company or Bank or property management company in Tucson, Arizona, to collect and disburse funds of the Association under such terms and conditions approved by the Board.

Section 4.10 Management Agent and Contracts. The Board of Directors may employ for the Association a management agent at a compensation agreed to by the Board of Directors to perform such duties and services as the Board shall direct; provided, however, that the Board shall not obligate the Association to employ such management agent nor shall the Board enter into any contracts which would bind the Association for a term of more than one (1) year unless reasonable cancellation provisions are included in such contracts.

Section 4.11 Taxes. Homeowners shall pay all real estate and personal property taxes which may be assessed against their respective dwelling units. The Association shall pay all taxes levied upon any property conveyed, leased or otherwise transferred to the Association, to the extent not assessed to homeowner.

Section 4.12 Fidelity Bonds. The Board of Directors shall have the authority to require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate bonds. The premiums on such bonds shall be paid by the Association.

Section 4.13 Assessments. The Board of Directors shall levy and collect assessments pursuant to the provisions of these By-Laws and Article VI of the Declaration.

(A) The Board of Directors shall provide for the keeping of books with detailed accounts affecting the adminis-

tration of the common property. The books and vouchers shall be made available for examination to any of the homeowners at convenient hours on working days. Within thirty (30) days prior to the end of each fiscal year, the Board shall appoint a finance committee consisting of at least two members of the Homeowner's Association, who are not directors, to review the books, vouchers, bank statements, operating expenses, reserve account, etc., of the Association for that fiscal year, which shall submit to the Board their written opinion the the financial condition of the Association, stating therein whether the account is in order, or if not in order, the particulars pertinent thereto together with their recommendation whether or not an audit of the financial records of the Association is required. In the event the finance committee or the Board recommends an audit of the financial records of the Association, then the Board shall advise the members of the Homeowners Association, at the next annual meeting of the finance committee's or Board's recommendation for an audit, and upon a vote of twenty-five (25%) percent of the members in attendance at such annual meeting in favor of an audit, the Board shall then proceed to have such an audit performed which shall be at the expense of the Association. A copy or summary of such audit shall be delivered to each homeowner within thirty (30) days after completion thereof.

Section 4.14 Authorized Payments by the Association.

The Board of Directors shall have the exclusive authority to make payments out of the Association's funds for the benefit of each homeowner; this authority shall include but shall not be limited to the following:

(A) Water service;

(B) Utility service for the common areas;

(C) All goods, materials, supplies, labor, services maintenance, repair, alterations, reconstruction and insurance which the Board of Directors is authorized to obtain and pay for pursuant to the By-Laws and the Declaration of which are authorized by the homeowners for the convenient operation of the common property.

(D) If required by the laws of the State of Arizona or any other governmental bond or authority having jurisdiction over the property, workman's compensation insurance with limits as required by such law.

(E) Professional management services as provided herein, legal, accounting and other services contracted for by the Board of Directors if it is deemed necessary by them for the operation and maintenance of the common property, protection of any of the common property or in the best interests of the homeowners.

(F) Maintenance and repair of any dwelling unit, if such maintenance and repair is necessary in the discretion of the Board of Directors to protect the common property,

and any homeowner has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board of Directors to said homeowner. In such event, the Board of Directors shall levy and collect a special assessment against such homeowner for the costs of said maintenance or repair.

(G) All costs of enforcing the provisions of these By-Laws and the Declaration, including attorney's fees and court costs provided that all costs incurred for the enforcement of the provision of these By-laws and the Declaration against any homeowner shall be assessed especially against such homeowner.

Section 4.15 Rules and Regulations. The Board of Directors shall have the power to adopt and publish rules and regulations governing the use of the common property, and such rules and regulations shall be binding upon the members of the Association.

Section 4.16 Damage and Destruction. In the case of damage by fire or other casualty to the common property or exteriors of dwelling units:

A. Destruction-Insurance Proceeds. If insurance proceeds do not exceed the sum of Twenty-five (\$25,000.00) Dollars and the cost of repairing or rebuilding does not exceed the amount of available insurance proceeds by more than Five Thousand (\$5,000.00) Dollars, such insurance proceeds shall be paid to the Association, which thereupon shall contract to repair or rebuild the damaged property.

B. Reconstruction. If insurance proceeds exceed Twenty-Five Thousand (\$25,000.00) Dollars or the cost of repairing or rebuilding exceeds available insurance proceeds by more than Five Thousand (\$5,000.00) Dollars, then:

1. The insurance proceeds arising out of damage to said property shall be paid to such bank or other trust company as may be designated by the Board, to be held in separate trust for the benefit of homeowners and their mortgagees, as their respective interests shall appear. The Board is authorized to enter, on behalf of the homeowner, into an agreement with such insurance trustee relating to its powers, duties and compensation, on such terms as the Board may approve consistent herewith.
2. The Board shall obtain firm bids from two (2) or more responsible contractors, to rebuild any portions to said property in accordance with the original plans and specifications with respect thereto and shall, as soon as possible thereafter, select the best bid which need not be the lowest bid.

Section 4.17 Liability of Board Members. No member of the Board of Directors shall be personally liable to

any homeowner for any damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, its representatives or employees provided that such Board member has, upon the basis of such information as may be possessed by him, acted in good faith.

ARTICLE V.

OFFICERS

Section 5.01 Designation. The principal officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be Directors. The office of Vice-President and Treasurer may be combined.

Section 5.02 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 5.03 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 5.04 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President of a corporation, including but not limited to the power

to appoint committees from among the homeowners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5.05 Vice-President. The Vice-President shall take the place of the President and perform duties whenever the President shall be absent or unable to act. If neither the President and Vice-President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 5.06 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; the Secretary shall have charge of such books and papers as the Board of Directors shall direct, and shall in general perform all the duties incident to the office of Secretary.

Section 5.07 Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association unless such function is delegated by the Board of Directors to a trust company or bank or property management company as authorized under Section 4.09(N) and 4.10 of these By-Laws. The treasurer shall be responsible for the deposit of all monies and other valuable effects which he personally collects in the name, and to the credit of the Association in such depositories as may from time

to time be designated by the Board of Directors. All funds of the Association over which the Treasurer has direct control shall only be withdrawn upon his signature; the Board may require the signature of two members of the Board for disbursement of Association funds.

ARTICLE VI

OBLIGATION OF HOMEOWNERS

Section 6.01. Assessments.

A. Charges for Repairs. Each homeowner agrees that the charges for repairs as determined pursuant to Section 4.09(J), of these By-laws if not paid within ten (10) days after completion of the work, shall become a lien upon said homeowner's dwelling unit and shall continue to be such a lien until fully paid. The amount owed by said homeowner to the Association shall be a debt, and shall be collectible by any lawful procedure allowed by these By-Laws and the Declaration. Nothing contained in this paragraph shall be construed in any way so as to relieve any insurance company from the payment of any and all amounts which would be payable under any policy or policies had not this paragraph been inserted.

B. Late Charge and Default. If any assessment assessed to any homeowner is not paid within five (5) days after it is due, the homeowner may be required by the Board of Directors to pay a reasonable late charge as the Board may establish from time to time.

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Section 6.02. Maintenance and Repairs.

A. Each homeowner must perform promptly all maintenance and repair work within his own dwelling unit, which if neglected would affect the property in its entirety or in part belonging to Declarant or other homeowners, being expressly responsible for the damage and liabilities that his failure to do may engender.

B. All the repairs or internal installments of the dwelling units, such as water, light, gas, power, sewage, telephones, air conditioners, heating equipment, roof, doors, windows, lamps and all other internal accessories belonging to that dwelling unit shall be at the homeowner's expenses. In addition, homeowners shall bear the expense and responsibility for all glass surfaces, exterior T.V. antennas, common walls as provided for in Section 3.03 of the Declaration, and landscaping in the general patio of the dwelling units.

C. Each homeowner shall reimburse the Association for any expenditures incurred in repairing or replacing any portion or all of the common area and facilities damaged through his fault, except to the extent covered by insurance.

D. Homeowners shall not, without the written consent of the Board of Directors, make any structural alterations in the common areas of facilities or remove any improvements or fixtures therefrom.

Section 6.03 Use of Units-Internal Changes.

a. All units shall be utilized for residential purposes only.

B. No homeowner shall make structural modifications or alterations in his dwelling unit or installations located therein without previously notifying the Association in writing, through the management agent, if any, or through the management agent, if any, or through the President, if no management agent is employed. The Association shall have the obligation to answer within fourteen (14) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modifications or alterations.

C. The swimming pool shall be used primarily by members and their bona-fide guests. The Board of Directors shall promulgate appropriate regulations to insure that the swimming pool is operated in compliance with public health standards and the Declaration.

Section 6.04 Right of Entry.

A. Each homeowner hereby grants the right of entry to the management agent or the Board of Directors or any other person authorized by the Association in case of any emergency originating in or threatening his dwelling units, whether the homeowner is present at the time or not.

B. Homeowners agree that if any portion of a dwelling unit, or the common areas encroaches upon another dwelling unit, a valid easement for the maintenance of such encroachment, so long as it stands, shall and does exist. In the event any such property is destroyed, each owner gives an easement for minor encroachment on its replacement provided it is replaced substantially as it was originally built.

Section 6.05 Rules of Conduct.

A. No advertisements, or posters of any kind shall be posted in or on the Property except as authorized by the Association of the Declaration.

B. No Homeowner, resident or lessee shall install wiring for electrical or telephone installation, television antennas, machines, or air-conditioning units, etc., on the exterior of the dwelling units or that protrude through said dwelling unit.

C. No homeowner, resident, or lessee shall permit or suffer anything to be done or kept in his dwelling unit which will obstruct or interfere with the rights of other occupants of dwelling units or in any manner endanger others.

D. All pets must be kept under leash or controlled at all times and must remain within the area of the dwelling unit night.

ARTICLE VII

AMENDMENT

Section 7.01 By-Laws. These By-Laws may be amended during the first twenty (20) years by an instrument in writing signed and acknowledged by the President and the Secretary of the Association certifying that such amendment has been approved by the vote or written consent of the then owners of not less than seventy-five (75%) percent of the dwelling units, such amendment shall be effective upon the date of such certification. Notwithstanding the above, the Declarant shall have the right, so long as Declarant is the owner of not less than fifty-one (51%) percent of the dwelling units, to amend these By-Laws.

In no event shall an amendment of these By-Laws be inconsistent or in opposition to any provision in the Declaration.

ARTICLE VIII

MORTGAGES

Section 8.01 Notice to Association. A homeowner who mortgages his dwelling unit shall notify the Association through the management agent, if any, or the President or the Board of Directors in the event there is no management agent, giving the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Dwelling Units."

Section 8.02 Notice of Unpaid Assessment. The Association shall, at the request of a mortgagee of a dwelling

unit, report any unpaid assessments due from a homeowner.

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 ____ day of _____, 1980.

TANOUE VERDE ESTATES, INC.
an Arizona corporation

By: _____
President

ATTEST:

Secretary