

BYLAWS
OF
Rio Vista Condominiums Inc.

ARTICLE I

Section 1, Submission to Regime. The Property located in Maricopa County, State of Arizona, known as Rio Vista Condominiums has been previously submitted to a Condominium Regime, pursuant to the provisions of Sections 33-1201 et seq., Arizona Revised Statutes.

Section 2, Definitions. Wherever terms are used herein which are defined in Section 33 -120 1, A.R.S., such words shall have the definitions set forth in said statute.

Section 3, Application of Bylaws. All present and future owners, tenants, future tenants or their employees or any other person that might use the facilities of the Property in any manner are subject to the provisions of these Bylaws. The ownership or rental of any of the units on the Property or the mere action of occupancy of any of said units will signify that these Bylaws are accepted, ratified and will be complied with by the occupant or owner.

ARTICLE II

Section 1, Voting. Notwithstanding the number of owners who may jointly or otherwise own a unit, voting on all matters shall be limited to one (1) of the owners. Where two (2) or more persons own an interest in a unit, they shall designate to the Association, in writing, one of their number who shall have the power to vote. In the absence of such designation and until such designation is made, the Board shall make such designation. In all matters requiring a vote of the owners, voting shall be on a percentage basis and the percentage of the vote to which each owner is entitled is the same percentage assigned to each of said units in the common elements in the Declaration submitting said property to a horizontal property regime.

Section 2, Majority of Owners. As used in the Bylaws, the term "Majority of Owners" shall mean those owners holding more than fifty percent (50%) of the votes in accordance with the percentages assigned to each Dwelling Unit.

Section 3, Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Owners entitled to cast twenty percent (20%) of all voted for each class of membership shall constitute a quorum, and majority of those present either in person or by proxy at an annual or duly noticed special meeting shall be necessary to pass any proposal.

Section 4, Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

Section 1, Owner's Responsibilities. The Owners of all the units win have the responsibility of administering the Association, electing the Board of Directors, and exercising those duties and responsibilities provided for by law.

Section 2, Place of Meeting. The first annual meeting of the Association shall be held on or before one year after the date of recording the Declaration. Thereafter, the annual meetings of the Association shall be held on the first day of March each succeeding year. At such meetings there shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements of Section 4 of Article IV of these Bylaws. The Owners may also transact such other business of the Association as may properly come before them.

Section 3, Annual Meetings. The first annual meeting of the Association shall be held on or before one year after the date of recording the Declaration. Thereafter, the annual meetings of the Association shall be held on the first day of March each succeeding year. At such meetings there shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements of Section 4 of Article IV of these Bylaws. The Owners may also transact such other business of the Association as may properly come before them.

Section 4, Special Meetings. It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board or upon a petition signed by a majority of the Owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of meeting and the purpose thereof No business shall be transacted at a special meeting except as stated in the notice unless by agreement of more than fifty percent (50%) of the Owners present, either in person or by proxy.

Section 5, Notice of Meeting. It shall be the duty of the Secretary-Treasurer to mail a notice of each annual or special meeting, stating the proposed purpose thereof with the time and the place where it is held, to each owner of record, at least five (5) but not more than twenty (20) days prior to such meeting. The mailing of a notice in a manner provided in this section shall be considered notice served.

Section 6, Adjourned Meetings. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not more than forty-eight (48) hours from the time the original meeting was called.

Section 7, Order of Business. The order of business at all meetings of the Association shall be as follows:

- (a) Roll call and verification of proxies.
- (b) Proof of notice of meeting.

- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board.
- (f) Reports of committees.
- (g) Appointment of inspectors of election when required.
- (h) Election of members of the Board when required.
- (i) Unfinished business.
- (j) New business.

ARTICLE IV

Section 1, Number and Qualification of Board of Directors. The affairs of the Association shall be governed by a Board of Directors composed of three (3) persons, all of whom must be Owners of Dwelling Units or their authorized representatives.

Section 2, Powers and Duties. In addition to the duties imposed by the Declaration submitting property to a Condominium Declaration, these Bylaws or by resolutions of the Association, the Board shall be responsible for the following:

- (a) Care, upkeep and surveillance of the project and the general common elements and facilities.
- (b) Preparation of an annual budget and allocation of the budget to the various units in accordance with the various percentages of interest owned.
- (c) Collection of monthly assessments from the Owners and the filing of liens and foreclosures thereof where necessary.
- (d) Employment and dismissal of the personnel necessary for the maintenance and the operation of the Property, the General Common Elements and facilities.
- (e) Employment of a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize. The duties conferred upon the management agent by the Board may at any time be revoked, modified or amplified by a majority of the Board at a duly constituted meeting.
- (f) To make repairs within the individual units where such repairs are required for the welfare or safety of the members of the Association.

(g) Obtain and keep in full force and effect fire and hazard insurance on the building and all common elements, and public liability and other insurance as deemed necessary and advisable by the Board.

(h) To grant or relocate easements required for the benefit of the Association.

(i) Adopt and amend rules and regulations and enforce the same covering the operation and use of all the Property and recreational areas.

(j) Opening of bank accounts on behalf of the Association and designating the signatories required therefore.

(k) Invest any excess funds held or controlled by the Association.

Section 4, Election and Term of Office. At the first annual meeting of the Association the term of office of three (3) directors shall be fixed for three (3) years. At the expiration of the initial term of office of each respective director, his successor shall be elected to serve a term of three (3) years. The directors shall hold office until their successors have been elected and hold their first meeting. Until the first annual meeting of the Association of the Board of Directors shall be designated by Fountain Oasis Realty, Inc., and shall serve until the first annual meeting of the Association or until their successors are duly elected.

Section 5, Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the owners shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected at the next annual meeting of the Association.

Section 6, 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 by the Owners shall be given an opportunity to be heard at the meeting.

Section 7, Compensation. No compensation shall be paid to directors or officers for their services as directors or officers. No remuneration shall be paid to a director for services performed by him for the Association in any capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. Neither a director nor an officer may be an employee of the Association. Directors and officers, however, may be reimbursed for any actual expenses incurred in connection with their duties as such officers or directors.

Section 8, 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.

Section 9, Regular Meetings. 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, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 10, Special Meetings. Special meetings of the Board of Directors may be called by the President or Secretary on three (3) days' notice to each director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as herein above provided) and purpose of the meeting.

Section 11, Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice shall be required and any business may be transacted at such meeting.

Section 12, Board of Director's 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, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13, Indemnification. The members of the Board of Directors shall not be liable to the Association or any owner for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the members of the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration of these Bylaws.

ARTICLE V

Section 1, Designation of Officers. The principal officers of the Council shall be a President and Secretary.

Section 2, Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3, 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 called for such purpose.

Section 4, President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of the Association including, but not limited to, the power to appoint committees from among the Owners 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, Vice-President. (if any). The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President shall be 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 6, Secretary. The Secretary shall have the responsibility for keeping the minutes of all meetings of the Board of Directors and Association and such correspondence as shall be necessary and such other duties as shall from time to time be imposed on him by the Board of Directors.

Section 7, Treasurer. (if any). The Treasurer shall have the 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 and such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VI

Section 1, Assessments. All owners shall be obligated to pay monthly assessments for common element expenses if imposed by the Board of Directors. The assessment may include the cost of maintenance and repair of the general and limited common elements, utilities, taxes and assessments, if any, on common elements, and all other items necessary for the maintenance and operation of the common elements, if any. There shall also be included in the assessments reserves for replacements and impounds as required and the cost to the Property for the purchase, construction, development, operation and management of recreational facilities available to the owners. The assessments shall be made pro-rata according to the percentage of interest of each unit in the Common Elements as set forth in the Declaration submitting said property to a horizontal property regime. Assessments shall commence and be payable by each owner as of the date of his acquisition of title to his unit and said assessment shall be payable monthly in advance or at such other time or times as the Board of Directors shall determine. Any assessments levied or collected which are in excess of the amount required for the purposes herein set forth shall be refunded to the owners.

Section 2, Additional Services. In addition to said assessments the Board may in the exercise of its discretion provide that the Association shall render other services to Owners on a subscription basis and bill all charges related to said services directly to each Owner who chooses to use such service.

Section 3, Annual Budget. The Board of Directors may from time to time prepare a budget for the Association, the term and the amount of the common charges payable by the Owners to meet the common expenses of the Association and allocate and assess such common charges among the Owners according to their respective common interests. The Board of Directors shall advise all Owners promptly in writing of the amount of common charges payable by each of them respectively and shall furnish copies of the budget on which sum common charges are based to all Owners and to their mortgagees if requested in writing. The Board of Directors may levy a late penalty charge on any Owner who fails to pay his assessment on or before the due date as set by the Board of Directors.

Section 4, Insurance. The Board of Directors shall be required to obtain and maintain, to the extent obtainable, the insurance called for in the Declaration.

ARTICLE VII

Amendments

These Bylaws may be amended by a majority vote of the Board of Directors at any regular or special meeting where notice of the proposed amendment is included in the call or notice of meeting, provided no Bylaws may be amended or added which would be in conflict with the Declaration of Condominium Regime heretofore filed.

ARTICLE VIII

Notice of Mortgage

Any owner who mortgages his unit shall notify the Association through the Secretary of the Board of Directors of the name and address of his mortgagee, and the Association shall maintain a record of such information in a book entitled "Book of Mortgagees."

ARTICLE IX

Management Agent

From this date and until the first annual meeting of the Association, the duties, rights and privileges given to the Board of Directors by the Bylaws for the administration of the Regime and the designation of a management agent shall be entrusted exclusively to and exercised by Fountain Oasis Realty, Inc.

ARTICLE X

Rules and Regulations

The Board of Directors may promulgate and adopt rules and regulations for the management of the Property, and said rules and regulations shall apply to and govern the occupation of the various units and of the general common elements by the owners and lessees, tenants and guests.

ARTICLE XI

Section I, Maintenance of Books and Records. The Board of Directors shall cause to be maintained at the principal office of the Association complete books of account concerning all Association funds, assets and liabilities. Such books of account shall be open to inspection upon the written demand of any owner for a purpose reasonably related to his interest as an owner and shall be exhibited at any time when required by the demand at any Association meeting of the owners holding 50% of the total votes represented at said meeting. Such inspection by an owner may be made in person or by agent or attorney, and the right of inspection includes the right to make extracts or to perform

audits. Demand of inspection shall be made in writing upon the President or Secretary of the Board of Directors.

Section I Annual Report to Owners. Annually, at least ten (10) days prior to the annual meeting, the Board of Directors shall cause to be prepared and sent to every owner an annual report of the affairs of the Association. Said report shall contain a complete accounting of receipts and disbursements of all Association funds during the preceding calendar year and a balance sheet setting forth all Association assets and liabilities as of the end of the preceding calendar year. Upon written demand of owners holding 40% or more of the total vote, given at least sixty (60) days prior to the date of the annual meeting, an independent audit of the Association's books and records shall be performed in accordance with generally accepted auditing standards by a duly licensed certified public accountant at the Association's expense. A copy of the report of such auditor shall then be rendered to each owner in lieu of the annual report herein above required.

The foregoing Bylaws were duly adopted the 1st day of September 19 99.



Malcolm K. Matheson Statutory Agent