

BYLAWS

OF

ARROWHEAD WEST CONDOMINIUM OWNERS ASSOCIATION, INC.

an Arizona non-profit corporation

I. GOVERNING DOCUMENTS

1.01. Reference to Articles. References herein made to the Corporation's Articles shall be deemed to refer to its Articles of Incorporation and all amendments thereto as at any given time are on file with the Arizona Corporation Commission, together with any and all certificates filed by the Corporation with the Arizona Corporation Commission pursuant to applicable law.

1.02. Reference to Declaration. References herein made to the Declaration shall be deemed to refer to the Declaration of Condominium and Covenants, Conditions and Restrictions of Arrowhead West Condominiums and all amendments thereto as at any time have been recorded as an official public record of Coconino County, Arizona.

1.03. Seniority and Control. The Articles and the Declaration shall in all respects be considered senior and superior to these Bylaws, with any inconsistency to be resolved in favor of the Articles and the Declaration, and with these Bylaws to be deemed automatically amended from time to time to eliminate any such inconsistency which may then exist. Where any inconsistency may arise between the Articles and the Declaration, the Articles shall be considered senior and superior to the Declaration.

II. OFFICES OF ASSOCIATION

2.01. Known Place of Business. The principal office of the Association shall initially be located at 2150 S. River Valley Road, Flagstaff, Coconino County, Arizona 86004. After control of the corporation is turned over to the Members (see Section ____ below), the principal office of the Association shall be located at 1731 N. Arrowhead Drive, Flagstaff, Coconino County, Arizona 86004; and the Association shall do all things and provide all required notices of such change in the location of the principal office of the Association.

2.02. Change of Known Place of Business. The Association may have additional offices at such other places both within and without the State of Arizona as the Board of Directors may, from time to time, determine or the business of the Association may require.

III. MEETINGS OF MEMBERS

3.01. Annual Meetings. An annual meeting of the Members of the corporation shall be held at the principal office of the Association in the State of Arizona on the first

(1st) Tuesday in September of each year, commencing with the year 2003, unless that day be a legal holiday in which event the annual meeting shall be held on the next succeeding business day, at which time the Members shall elect by plurality vote a Board of Directors and transact such other business as may be properly brought before the Board. In the event that any such annual meeting is not so held for any reason, a deferred annual meeting may thereafter be called and held in lieu thereof, and the same proceedings (including the election of directors and officers) may be conducted thereat. Any director elected at an annual meeting or deferred annual meeting shall continue in office until the election of his or her successor, subject to his or her earlier resignation pursuant to Section 7.10 herein.

3.02. Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by Arizona statute or by the Articles of Incorporation, may be called at any time by the President of the Corporation, or by the written demand of Members holding not less than twenty-five percent (25%) of the total authorized votes of the Association.

3.03. Notices. Notices of all annual and special meetings shall be in writing and signed by an officer, director or Member of Association. Such notice shall state the purpose or purposes for which the meeting has been called and the time when, and the place where, such meeting is to be held. A copy of such notice shall be either delivered personally, or mailed postage prepaid, to each Member of record entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days prior to such meeting (inclusive of the day of the meeting). All notices of meetings, if mailed, shall be directed to the Members at their respective addresses as they may appear, as of the record date, in the records of the Association, and upon such mailing the service thereof shall be complete, and the time of such notice shall begin to run from the date upon which such notice is deposited in the mail for transmission to such Member(s). Personal delivery of any such notice to any officer of a corporation or association, or to any member of a partnership, shall constitute delivery of such notice to such corporation, association or partnership. In the event of the sale of a condominium Unit after delivery or mailing of the notice of and prior to the holding of the meeting, it shall not be necessary to deliver or mail any other notice of the meeting to any such new Unit owner. Attendance of any Member at any such meeting in person, or by proxy, shall automatically evidence his or her waiver of call and notice of such meeting (and any adjournment thereof) unless he or she is attending the meeting for the express purpose of objecting to the transaction of business thereat because it has not been properly called or noticed.

3.04. Members of Record. For the purpose of determining the Members entitled to notice of or to vote at any meeting of members (or at any adjournment thereof), or the members entitled to express written consent to Association action without a meeting, or in order to make a determination of members for any other lawful action, the Board of Directors may fix in advance a record date which shall not be more than forty-five (45) days nor less than ten (10) days prior to the date of such meeting or any such other action. If no such record date is fixed for determining members entitled to notice or to vote at any meeting of members, the record date shall be deemed to have been set at the close of business, defined at 5:00 p.m. (MST) on the day before the day on which notice is given, or, if notice is waived, at the commencement of the meeting. If no record date is fixed for determining members entitled to express written consent to Association action

without a meeting, the record date shall be the time of day and on the day when the first written consent is served upon an officer or director of the Association.

3.05. Voting Records. The officer or agent having charge of the member transfer books for membership in the Association shall make and maintain a complete record of the members entitled to vote at a meeting of the members (and at any adjournment thereof), with the address of each such Member.

3.06. Waiver of Notice. The transaction of business at any meeting of members, however called and noticed, shall be valid and as though done at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if either before or after the meeting each of the members entitled to vote sign a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the Association's records or made a part of the minutes of the meeting.

3.07. Quorum. The Members holding at least one-quarter (1/4) of authorized votes in the Association, whether present in person or by proxy, shall be requisite and shall constitute a quorum at all meetings of the members for the transaction of business as may be provided by law, by the Articles of Incorporation, by the Declaration, or by these Bylaws. If, however, such one-quarter (1/4) of the membership shall not be present or represented at a meeting of the members, the members entitled to vote thereat, shall have the power to adjourn the meeting from time to time, until the requisite amount of votes shall be present. At any such adjourned meeting at which the requisite amount of votes shall be represented, any business may be transacted which might have been transacted at the meeting originally planned, called and noticed.

3.08. Proxies. Any Member entitled to vote at a meeting of members may vote by proxy, provided that his or her proxy is executed in writing by him or her or his or her duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. The burden of proving the bona fides of any proxy proffered shall rest with the person seeking to exercise the same. A telegram or cablegram, or duly executed letter, appearing to have been transmitted by a Member or by his or her duly authorized attorney-in-fact may be accepted as a sufficiently written and executed proxy.

3.09. Voting. If a quorum is present or represented at any meeting, the members holding a majority of the votes, present in person or represented by proxy, may decide any question brought before such meeting, unless the question is one upon which, by express provision of Arizona statute, or of the Articles of Incorporation, or of the Declaration, a different vote is required, in which case such express provision shall govern and control the decision of such question.

3.10. Votes Per Unit. Unless otherwise provided for herein, each Member shall entitled to exercise and cast one (1) vote for each Arrowhead West Condominium Unit owned, and no more, on matters subject to vote.

3.11. Member Approval or Ratification. The board of directors may submit any contract or act for approval of or ratification by the members of the Association, either

at a duly constituted meeting of the members or by unanimous written consent to Association action without a meeting pursuant to Section 3.14 hereof. Any such contract or action so submitted and approved or ratified by the members shall be valid and binding upon the Association as the act of the members.

3.12. Informalities and Irregularities. Any informalities or irregularities in any call or notice of a meeting, or in the conduct of a meeting, of the members or in the areas of credentials, proxies, quorums, voting and similar matters will be deemed waived if no objection is made at the meeting.

3.13. Action By Members Without A Meeting. Any action required or permitted to be taken at a meeting of the members of the Association, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as the unanimous vote of the members of the Association.

IV. BOARD OF DIRECTORS

4.01. Membership. Subject to any limitations provided for by Arizona statute, the Articles of Incorporation, or these Bylaws, pertaining to action or actions to be authorized or approved by the members of the Association, the affairs of the Association shall be managed by its board of directors. The board of directors shall always be comprised of an odd number of directors, of not less than three (3) nor more than nine (9) directors, and who need not be members of the Association.

4.02. Election and Term. The election of directors will regularly take place at each annual meeting of the members, but such election may be held at any other meeting of the members. Unless the members decide to lengthen and stagger the term of the directors, each director so elected shall serve for a term of one (1) year or until a successor is elected, qualified and shall take office. The term of each elected director shall commence immediately upon election. The board shall have the power to increase or decrease its size within the aforesaid limits and to fill any vacancies which may occur in its membership, whether resulting from an increase in the size of that board or otherwise, pending the next annual meeting of the members. The members may, at any time, elect a director to fill any vacancy not filled by the directors and may elect the additional directors at the meeting at which an amendment of these Bylaws is voted in authorizing an increase in the number of directors.

4.03 Vacancies. Any vacancy in the board of directors may be filled by a majority vote of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until a successor is elected at an annual meeting of the members or at a special meeting so called for that purpose. A vacancy shall be deemed to exist in the case of death, resignation or removal of any director, or if the members shall increase the authorized number of directors but shall fail at the meeting at which such increase is authorized, or at any adjournment thereof, to elect the additional director(s) so provided for, or in the case that the members fail at any time to elect the full number of authorized directors. If the board shall accept

the resignation of a director tendered to take effect at some future time, the board or the members shall have the power to elect a successor to take office when the resignation shall become effective. No reduction in the number of directors shall have the effect of removing any director prior to the expiration of his or her term of office.

4.04. Removal. The entire board of directors, or any individual director, may be removed from office by a vote of the members holding a majority of the votes in the Association authorized to vote at the annual meeting of members. An individual director shall all be deemed to be automatically removed if such director is absent from three (3) consecutive meetings of the board, which meeting have been duly called and noticed pursuant to these Bylaws. If any or all of the directors are so removed, new directors may be elected at the same meeting of members in which the removal is accomplished by way of vote or acknowledged by the board (in the case of automatic removal).

4.05. Meetings of Directors. The board of directors of the Association may conduct meetings, both regular and special, either at or away from the principal office of the Association.

4.05(A). Regular Meetings. Regular annual meetings of the directors of the Association shall be held at the same time and at the same place as the annual meeting of members. Regular meetings, other than the annual meeting, may be held at regular intervals at such places and at such times as the board of directors may determine.

4.05(B). Special Meetings. Special meetings of the board of directors may be held whenever and wherever called for by the President of the Association or by the number of directors required to constitute a quorum.

4.06. Notices. No notice need be given of regular meetings of the board of directors. Written notice of the time and place (but not necessarily of the purpose or purposes) of any special meeting shall be given to each of the directors at least three (3) days prior to the date of the special meeting, and such notice shall be either delivered personally to each director or mailed, postage prepaid, to their respective addresses as they may appear in the records of the corporation. Notice by mail shall be deemed to be given at the time when the same shall be deposited in the mail. Any director may waive call or notice of any meeting (and any adjournment thereof) at any time before, during, or after such meeting. Attendance of a director at any meeting shall automatically evidence his or her waiver of call and notice of such meeting (and any adjournment thereof) unless he or she is attending the meeting for the express purpose of objecting to the transaction of business thereat because it has not been properly called or noticed. Any meeting properly called and noticed (or as to which call and notice have been waived) and at which a quorum is present, may be adjourned to another time and place by a majority of those in attendance. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

4.07. Quorum. A quorum for the transaction of business at any meeting or adjourned meeting of the board of directors shall consist of a majority of those then in office; provided that a minority of the directors, in the absence of a quorum, may adjourn the meeting from time to time but may not transact any business.

4.08. Valid Conduct of Business. Whenever all of the directors are present at any meeting of the directors, however called or noticed, and sign a written consent thereto upon the records of such meeting, or if a majority of the directors are present, and if those not present sign in writing a waiver of notice of such meeting, which waiver shall be filed with the secretary of the Association, the transactions and business of said meeting of directors shall be as valid as if had at a meeting regularly called and noticed. Any action required or permitted to be taken by the board of directors may be taken without a meeting and with the same force and effect as a unanimous vote of the directors at a regularly called meeting, if all members of the board of directors shall, individually or collectively, consent in writing to such action. Such consent shall be in writing, signed by all directors, and filed with the regular minutes of the Association.

4.09. Voting. Any question submitted to any meeting or adjourned meeting of the board of directors shall be resolved by a majority of the votes cast thereon. In the case of an equality of votes because of the absence or of directors from the meeting or removal, the question shall be deemed to remain undecided until a majority of votes, either in favor or against the question, shall be had.

4.10. Committees. The board of directors may from time to time, by resolution adopted by a majority of the board, appoint committees from within or without its membership and vest such committees with such powers as the board may include in its resolution. A majority of those named to any such committee shall constitute a quorum for purposes of committee action.

4.11. Presumption of Assent. A director of the corporation who is present at a meeting of the board of directors, or of any committee, at which action is taken on any Association matter, will be presumed to have assented to the action so taken unless his or her dissent is entered in the minutes of the meeting or unless he or she files his or her written dissent to such action with the secretary, or the person acting as secretary of the Association for that meeting, before the adjournment thereof or forwards such dissent by first class mail to the secretary of the Association immediately after the adjournment of the meeting. Such right of dissent shall not be available to a director who voted in favor of the action.

4.12. Meetings By Conference Telephone. Any member of the board of directors or of any committee of the corporation may participate in any meeting thereof by means of conference telephone or similar communication equipment whereby all participating members of such meeting can hear one another. Such participation shall constitute attendance in person, unless otherwise stated as provided in Section 4.08 hereof.

4.13. Reimbursement of Directors' Expenses. By resolution of the board of directors, each director may, in extraordinary circumstances, be paid his or her expenses, if any, of attendance at meetings of the board of directors or of any committee or for any such expenses the director may incur in carrying out the business of the board of the Association. Otherwise, no director shall receive a salary or other remuneration simply for his or her participation as a member of the board.

V. CONDUCT OF ASSOCIATION BUSINESS

5.01. Powers of the Board. The board of directors of the Association shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are noted in the Declaration and required to be exercised or done by the members. In addition to the duties imposed by the Bylaws or by any resolution of the members that may hereafter be adopted, the board shall have the following powers and duties:

5.01(a) Open bank account on behalf of and in the name of the Association, and designate the signatories thereon;

5.01(b) Make, or contract for the making, of repairs, additions to, improvements to or alterations of the Common Area, in accordance with the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

5.01(c) In the exercise of its discretion, enforce by legal or other lawful means the provision of the Declaration;

5.01(d) Contract, designate, hire and dismiss the personnel necessary, for the maintenance, operation, repair, replacement of the Common Area and provide services for the members; and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;

5.10(e) Provide for the operation, care, upkeep and maintenance of all Common Area and borrow money on behalf of the Association when required in connection with any one instance relating to the operation, upkeep and maintenance of the Common Area; provided, however, the consent of members having at least two-thirds of the total authorized votes in the Association shall be obtained either in writing or at a meeting called and held for such purpose in accordance with the provisions of these Bylaws in order for the Association to borrow in excess of \$3,000.00;

5.01(f) Prepare and adopt an annual budget for the Association prior to the commencement of each fiscal year;

5.01(g) Adopt and publish rules and regulation governing the use of the Common Area and facilities, and the personal conduct of the members and their family members, guests, lessees, and invitees thereon and establish penalties for the infraction thereof;

5.01(h) Suspend the voting rights and the right of use of the Common Area of a Member during the period of time in which such Member shall be in default in the payment of any assessment or other amounts due under the terms of the Declaration for at least thirty (30) days after the payment first became due and for a period not to exceed sixty (60) days for any non-monetary infraction of the Declaration or any rules and regulations adopted by the Association;

5.01(i) Exercise for the benefit of the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by the provisions of the Declaration;

5.01(j) 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 meetings, regular or special, of the board;

5.01(k) Employ, hire and dismiss such employees as the board deems necessary and to prescribe their duties and their compensation;

5.01(l) Cause to be kept a complete record of all its acts and Association or corporation affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by any Member entitled to vote;

5.01(m) Supervise all officers, agents, contractors and employees of the Association and see that their duties are properly performed;

5.01(n) Levy, collect and enforce the payment of assessments in accordance with the provision of the Declaration;

5.01(o) Issue, or cause an appropriate Association officer to issue, upon demand, to any person, a certificate setting forth whether or not any Association assessment as been paid (the Board for the issuance of these certificates may make a reasonable charge to the person making such demand or request), and such certificate shall be conclusive evidence of such payment;

5.01(p) Procure and maintain adequate property, liability and other insurance as required by the Declaration;

5.01(q) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate or as required by the Declaration;

5.01(r) Cause the Common Area to be maintained as more fully set forth in the Declaration; and

5.01(s) Enforce all provisions of the Declaration regarding use of the condominium Units by all necessary and reasonable means including, without limitation, the imposition of fines, after notice, against a member for a violation of any provision of the Declaration by Member's or the Member's family, tenants or guests.

5.02. Imposition of Fines. Pursuant to the power granted to the board of directors by the Declaration, and subject to the restrictions set forth below, the board shall have the right to impose reasonable fines against a Unit owner for a violation of any provision of the Declaration, or the rules and regulations promulgated by the Association pursuant to these Bylaws, by the Unit owner, his family, tenants or guests.

5.02(a) Upon imposing a fine, the Board, or any person designated by the

Board, shall serve a "Notice of Violation" upon a Unit owner for a violation of any provision of the Declaration, or the Association's rules and regulations, by the owner, his family, tenants or guests. A Notice of Violation shall contain (i) a description of the violation, (ii) the time and place at which the violation occurred, (iii) the amount of the fine to be paid by the owner for the violation; (iv) the name of the person issuing the Notice of Violation, and (v) a statement advising the owner of the owner's right to require a hearing pursuant to Section 5.02(d) of these Bylaws.

5.02(b) A notice of violation shall be addressed to the owner named in the Notice of Violation at the address of the owner as shown on the records of the Association and shall be served upon such owner either personally or by way of registered or certified U.S. mail, return receipt requested, postage prepaid. A Notice of Violation served by mail shall be deemed to have been received by the owner to whom the notice is addressed on the earlier of the date the notice is actually received or three (3) days after the Notice is deposited in the U.S. mail. If a Unit is owned by more than one person or entity, a Notice of Violation to one of the joint owners shall constitute notice to all of the joint owners.

5.02(c) The owner shall pay the fine set forth in the Notice to the Association with ten (10) days after the Notice of Violation is received, or deemed received unless prior to that time, the owner requests a hearing on the violation pursuant to Section 5.02(d) of these Bylaws.

5.02(d) Any owner served with a Notice of Violation may request a hearing on the violation. The request for a hearing must be addressed in writing to the Secretary of the Association and must actually be received by the Association within ten (10) days of the receipt of the Notice by the owner. Upon receipt of a request for hearing pursuant to this Section, the President, or any other Officer of the Association shall schedule a hearing on the violation before the Board or before a hearing officer or a committee approved by the Board and shall notify the owner requesting the hearing of the date, time and place of the hearing. The notice of the hearing shall also advise the owner of this right to produce statements, evidence and witnesses on his behalf and to be represented at the hearing by an attorney. If the hearing on the violation is before the Board, then the minutes of the meeting of the Board at which the hearing is held shall reflect the fact that the hearing on the violation was held and the action taken by the Board on the violation. If the hearing is held before a hearing officer or a committee appointed by the Board, then the hearing officer of the committee conducting the hearing shall, within ten (10) days after the conclusion of the hearing, make a written recommendation to the Board on what action the Board should take in the matter of the violation. Upon receipt of the recommendation from the hearing officer or the committee, the Board shall act upon the recommendation. Any fine which is affirmed by the Board following the hearing pursuant to this Section shall be paid by the offending owner within ten (10) days after a notice of the action of the Board is served upon the Owner. Service of such notice from the Board shall be made in the same manner as service of a Notice of Violation pursuant to Section 5.02(b) of these Bylaws.

5.02(e) Any fines imposed pursuant to this Article V shall be the joint and several liability of all of the joint owners of a condominium Unit.

VI. OFFICERS (GENERAL)

6.01. Offices. The officers of the Association shall, at a minimum, be a president, a vice-president or president-elect, a secretary and a treasurer. The Association may also have, at the discretion of the board of directors, one or more assistance secretaries, one or more assistant treasurers, and such other officers as may, from time to time, be appointed or elected in accordance with the provisions of Section 4.03 hereof. One person may hold two or more offices.

6.02. Elections and Appointments. The members of the Association shall elect the officers of the corporation. Such election shall regularly take place at each annual meeting of the board of directors and members, but elections of officers may be conducted at any other meeting of the board. In the event that the members shall fail to elect officers, the board of directors may appoint such officers from its membership. A person elected or appointed to any office shall, unless otherwise specified, take that office immediately and continue to hold that office until the election or appointment of his or her successor, subject to action earlier taken pursuant to Sections 5.04 or 7.01 hereof.

6.03. Additional Appointments. The members may elect, or the board of directors may appoint, such other officers as the Association may require, each of whom shall hold office for such period or term, have such authority, and perform such duties, as are provided in these Bylaws or as the members or the board of directors may, from time to time, determine.

6.04. Removal and Resignation. Any officer may be removed, either with or without cause, by a majority of the directors, at any regular or special meeting of the board of directors or, except in the case of an officer chosen by the board of directors, by any officer upon whom such power of removal may be conferred by the board of directors. Any officer may resign at any time by giving written notice to the board of directors or to the president, or to the secretary of the Association. Any such resignation shall take effect upon the date of the 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. Upon removal of or resignation by an officer of the Association, the board of directors shall temporarily delegate the powers and duties of the removed or resigned officer to any other officer or to any director.

6.05. Vacancies. A vacancy in any office of the Association because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

6.06. Salaries. Other than reimbursement of expenses, no officer of the Association shall be paid a salary or receive other remuneration simply for participation in the Association as an officer.

VII. OFFICERS (SPECIFIC)

7.01. President. The president shall be the chief executive officer of the Association and shall, subject to the control of the board of directors, have general supervision, direction and control of the business and the officers of the Association. The president shall preside at all meetings of the members and at all meetings of the board of directors. The president shall also be an ex officio member of all committees, if any, and shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the board of directors or these Bylaws.

7.03. Vice-President or President-Elect. In the absence or disability of the president, the vice-president or president-elect shall perform all duties of the president, and when so acting shall have all the powers of, and be subject to all restrictions upon, the office of the president. The vice-president or president-elect shall have such other duties as shall from time to time be prescribed by the board of directors or by these Bylaws. The president-elect, if the Association shall choose to have one, shall automatically, and without further vote of the members or the directors, assume the office of the president of the Association at the annual meeting of members next after the annual meeting at which he or she was elected as the president-elect.

7.04. Secretary. The secretary of the Association shall keep, or cause to be kept, the minutes of all meetings of the Association's members, the board of directors and any committee, whether regular or special, and all unanimous written consents of the members, board of directors and any committee of the Association, see that all notices are duly given in accordance with the provisions of these Bylaws or as required by applicable law, be custodian of the corporate seal, if any, and corporate records and, in general, perform all duties incident to his or her office. Except as may otherwise be specifically provided in a resolution of the board of directors, the secretary and each assistant secretary shall be a proper officer to take charge of the Association's membership books, to maintain a Member register showing the names and addresses of each Member along with the number of Units owned by each and the date each Member received record title to the Unit(s) owned, to compile a voting record, and to impress the Association's seal, if any, upon any instrument signed by the president or any vice-president or president-elect, and to attest to the same. The secretary shall have such other powers as may be prescribed from time to time by the board of directors and these Bylaws.

7.05. Treasurer. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the property and business of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and membership. The books of account shall, at all reasonable times, be open to inspection by any director or member. The treasurer shall deposit all monies, property and other valuables in the name, and to the credit, of the Association with such depositories as may be designated from time to time by the board of directors. The treasurer shall disburse the funds of the Association as may be ordered by the board of directors, shall render to the president and directors, whenever so requested, an account of all his or her transactions as the treasurer and of the financial condition and status of the Association, and shall have such other powers and perform such other duties as may be prescribed from time to time by the board of directors and these Bylaws.

VIII. OWNERSHIP AND TRANSFER OF CONDOMINIUM UNITS

8.01. Ownership. The Association shall be entitled to treat the record title owner of any condominium Unit as the absolute owner thereof and, except as may be provided for in the Declaration, shall not be bound to recognize any beneficial, equitable or other claim to, or interest in, such Unit on the part of any other person, whether or not it has notice thereof, except as may expressly be provided by applicable law.

8.02. Transfers. Transfers, sales or other conveyances of the condominium Units may be made at any time by the owner(s) thereof. Upon receipt of notice of such transfer of ownership, the Association's secretary shall note in the Association's records the new owner of each such condominium Unit and the new owners address; and, for purposes of providing required notice(s), the Secretary shall be entitled to rely upon such new owner's name and address, as and from the time such notice is provided to the Association, in fulfilling all Association obligations to give notice to the Associations members.

8.03. Closure of Condominium Ownership Books. The board of directors of the Association may, for purposes of determining who shall be entitled to required notices, close the transfer books of the corporation, in its discretion, for a period not exceeding forty-five (45) days preceding any meeting, annual or special, of the members.

IX. ARCHITECTURAL CONTROL

9.01 Approval For Work Required. Subject to the provisions of Section 9.02 of these Bylaws, any matters relating to the construction, repair, restoration or alteration of any of the Common Area or Limited Common Elements, as defined in the Declaration, whether such work is proposed by one or more Unit owners or the Board of Directors, shall be brought before and require the approval of the Board of Directors or an architectural control committee appointed by the Board. In such matters, the Board or architectural control committee may require full written plans and specifications from the party proposing the work before rendering a decision granting or denying approval for such work, and any decision rendered by the Board or architectural control committee on such matters shall be final. Failure to request and receive approval of the Board or any architectural control committee before commencing such work shall be deemed a violation of the Declaration and subject the owner doing such work to a fine which shall include, but shall not be limited to, the cost of removing all such work begun or done.

9.02 Declarant's Rights. So long as the Declarant owns any Units, the Declarant shall not be bound by or subject to the provisions of Section 9.01 above, and shall have the right to appoint and remove any members to and from an architectural control committee for purposes of reviewing and granting approval of work proposed by other Unit owners. When the Declarant no longer owns any Units, the Board may hear all such matters itself or appoint and remove all such members of an architectural control committee.

X. AMENDMENT OF BYLAWS

10.01. Amendment By Members. New bylaws may be adopted, or these Bylaws may be repealed or modified at the annual meeting of the members, or at any other meeting of the members called and noticed for that purpose, by a vote of the members entitled to exercise a majority of the authorized vote of the Association, or by written assent of such members.

10.02. Amendment By Directors. Subject to the right of the members to adopt, amend or repeal bylaws, as provided in Section 10.01 hereof, the board of directors may adopt, amend or repeal any of these Bylaws at any regular or special meeting called and noticed for that purpose.

10.03. Record of Amendment. Whenever an amendment to or a new bylaw is adopted, it shall be copied in the book of Bylaws with the original Bylaws in the appropriate place. If any Bylaw is repealed, the fact of repeal, together with the date of the meeting at which the repeal was enacted or written assent was filed, shall be stated in said book.

XI. BEHAVIOR

11.01. Robert's Rules Of Order. The conduct of any meeting of the Association shall be governed according to Robert's Rules of Order.

KNOW ALL PERSONS BY THESE PRESENTS:

That we, the undersigned, being all of the initial directors of **ARROWHEAD WEST CONDOMINIUM ASSOCIATION, INC.**, hereby assent to the foregoing Bylaws and adopt the same as the Bylaws of this Association.

IN WITNESS WHEREOF, we have hereunto set our hands this 18th day of August, 2003.



RICKY J. MATENBERG, Director



W. DEBORAH DENNY, Director