

**SAGUARO VIEW MANAGEMENT, INC.
BYLAWS**

Article I -General Provisions

1.1 Office. The principal office of Saguario View Management Inc. ("Association") shall be that of the Association's property manager.

1.2 Definitions. The capitalized terms used in these Bylaws without definition shall have the meanings as set forth in the Declaration of Covenants, Conditions And Restrictions, as recorded on May 9, 1980, at docket 11408, Pages 1193 through 1196, in the official records of Maricopa County, Arizona, as amended by the Amendment to Declaration of Covenants, Conditions and Restrictions, recorded on July 25, 1980, at Docket 14570, Page 365, as further amended by the Amendment to Declaration of Covenants, Conditions and Restrictions recorded on May 17, 1984, as Document 84-211891, as corrected and re-recorded at Document 8~:512233, and as may be further amended from time to time ("Declaration").

1.3 Membership. Membership in the Association shall be limited to owners of portions of the Property and all owners of other properties in Section 30 designated for water use as provided in the Declaration. Each Member shall have such right and privileges, including voting rights, as provided in the Declaration and Articles.

1.4 Amendment. These Bylaws may be amended at any annual or special meeting of the Members by the affirmative vote of a majority of the Members attending.

1.5 Seal. The Association may have a seal in a form approved by the Board.

1.6 Fiscal year. The fiscal year of the Association shall be from the first day of January through the thirty-first day of December.

1.7 Notice and Waiver of Notice. Whenever notice is required to be given the notice shall be given by depositing the notice in the United States mail, postage prepaid, addressed to the person entitled to receive notice at the address as it appears in the records of the Association, and notice shall be deemed to have been given on the day of such mailing. Personal delivery of the notice to the person entitled to receive notice may be used instead of notice by mail, but personal delivery is not required. A written waiver of notice signed

by the person entitled to the notice, whether before or after the time stated in the notice, shall be equivalent to giving of the notice. Attendance of a person at a meeting shall constitute a waiver of notice of the meeting except when the person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

1.8 Action Without Meeting. Any act of the Board or of a committee of the Board may be taken without a meeting if a consent in writing setting forth the act is signed by all of the directors or committee members entitled to vote with respect to the matter. The consent has the same force and effect as a unanimous vote and shall be filed with the Association minutes.

Article II -Meetings of the Members

2.1 Annual Meeting. An annual meeting of the Members shall be held during the month of March or April of each year. At each annual meeting, the Members entitled to vote shall elect a Board and may transact such other Association business it deems appropriate.

2.2 Special Meetings. Special meetings of the Members may be called by the president or by the Board. Special meetings shall be called by the president or by the Board upon a written request signed by Members entitled to cast at least one-fourth (1/4) of the total authorized votes in the Association. Such a request shall state the purpose of the proposed meeting.

2.3 Voting. Each Member attending any annual or special meeting of the Members shall be entitled to vote. No proxy shall be honored at any annual or special meeting, unless the proxy is in writing and was signed and dated within two weeks of the date of the meeting. All elections for directors shall be decided by plurality vote and all other questions shall be decided by majority vote, except as otherwise provided by the Declaration, the Articles, or the laws of the State of Arizona.

2.4 Membership List. The secretary or other person designated by the Board shall at least 10 days before each meeting of the Members prepare and make available for inspection by the Board and the Members a complete list of the Members entitled to vote at the meeting. The membership list shall not be used by anyone for commercial purposes and shall not be made available to anyone other than Members of this Association.

2.5 Quorum. The presence at a meeting of the Members, in person or by proxy, of Members entitled to cast at least one-tenth (1/10) of the total authorized votes in the Association, shall constitute a quorum at all meetings of the Members. If a quorum shall fail to attend any meeting in person or by proxy, a majority of those Members attending in person or by proxy at the time the meeting is called, may at the end of one hour adjourn the meeting from time to time without further notice until a quorum shall attend. At any meeting at which a quorum is present a majority of the Members present in person or by proxy, may adjourn the meeting from time to time, without further notice other than announcement at the meeting. At any such adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally noticed, but only those Members entitled to vote at the meeting as originally noticed shall be entitled to vote at any adjournment or adjournments thereof.

Article III -Board of Directors

3.1 Number and Qualifications. The business of the Association shall be managed by a Board of seven (7) directors, unless the Board shall establish a lesser number which in no event shall be less than three (3) directors. Each director shall be a Member and reside within Maricopa County, Arizona.

3.2 Term of Office. The directors shall serve staggered terms of two (2) years each in the manner set by the Board.

3.3 Meetings. Regular or special meetings of the Board may be held by means of conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation at such meeting shall constitute presence in person at the meeting. Regular meetings of the Board may be held with or without notice at such time and place as is determined from time to time by the Board. Special meetings of the Board may be called by the President on three (3) business days notice to each director, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board 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.

3.4 Quorum. The presence at a meeting of the Board of a majority of the directors shall constitute a quorum.

3.5 Resignations. A director may resign at any time. Such resignation shall be made in writing, and shall take effect at the time specified therein, and if no time is specified, at the time of its receipt by the president or secretary. The acceptance of a resignation shall not be necessary to make it effective.

3.6 Vacancies. If the office of any director becomes vacant, the remaining directors in office, though less than a quorum, may appoint, by a majority vote, any qualified person to fill such vacancy for the unexpired term.

3.7 Removal. Any director may be removed either with or without cause at any time by the affirmative vote of a majority of all the Members entitled to vote at a special meeting called for the purpose, and the vacancies thus created may be filled by the affirmative vote of a majority of the Members present and entitled to vote.

3.10 Compensation. No Member shall receive compensation for service as a director. Nothing contained herein, however, shall be construed to preclude any director from serving the Association in any other capacity and receiving reasonable compensation for services rendered to the Association under terms prescribed by the Board.

3.11 Loans to Directors Prohibited. No loans shall be made by the Association to its directors. Any director who votes for or participates in the making of a loan to a director shall be jointly and severally liable to the Association for the amount of the loan until its repayment.

Article IV -Officers

4.1 Officers. The officers of the Association shall consist of a president, vice-president, treasurer, and secretary. The officers shall be elected by the Board and shall hold office for one year and until their successors are elected. In addition, the Board may elect one or more assistant vice-presidents, assistant secretaries, and assistant treasurers as it may deem proper. Each of the officers of the Association shall be a director. The officers shall be elected at the first meeting of the Board after each annual meeting of the Members. Two or more offices may be held by the same person.

4.2 President. The president shall serve as the chief executive officer of the Association and shall have the general powers and duties usually vested in the office of president of a corporation including the general supervision, direction and control of the business of the Association. When present, the president shall preside at all meetings of the Members and at all meetings of the Board.

4.3 Vice-President. The vice-president shall act as president when requested to do so by the president and, in the absence of the president, shall preside at all meetings of the Members and at all meetings of the Board. In addition, the vice-president shall have such additional powers and shall perform such additional duties as assigned to him by the president or the Board.

4.4 Treasurer. The treasurer shall have the custody of the funds and securities of the Association and shall maintain a full and accurate account of receipts and disbursements in books belonging to the Association. The treasurer shall render to the Board at the regular meetings of the Board, or whenever the Board may request it, an account of all financial transactions of the Association and of the financial condition of the Association, as well as, a status report on existing insurance protection. The treasurer, or the assistant treasurer if authorized by the Board, shall:

- a. Receive, hold and disburse all funds and other property of the Association as provided in these Bylaws and as directed by the president or the Board;
- b. Make all reports and other filings required by law, including filings with the Internal Revenue Service, the Arizona Corporation Commission;
- c. Pay all taxes and assessments which may become due and payable by the Association;
- d. Pay all liabilities for which the Association is obligated;

4.5 Secretary. The secretary shall give, or cause to be given, notice of all meetings of the Members and of the Board, and all other notices required by law or by these By-Laws. In the case of the secretary's absence or refusal or neglect to give notice required by these Bylaws, the notice may be given by any person designated by the president, or by the Board, or by the Members, upon whose request the meeting is called as provided in these By-Laws. The secretary shall record the minutes of all meetings of the Association and of the Board in a book provided

for that purpose. The secretary shall be custodian of all records of the Association and the seal of the Association. When authorized by these Bylaws, the president, or the Board, the secretary shall affix the Association's seal to all instruments requiring it and attest the same. In addition, the secretary shall perform such additional duties as assigned to him by the president or the Board. ..

4.6 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.7 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Article VI -Indemnification of Directors and Officers

6.1 Indemnification. Except as provided in these Bylaws, the Association shall hold harmless and indemnify each of its directors and officers ("indemnatee") against any and all liability and expenses incurred by indemnatee in connection with any threatened or actual proceeding or legal action resulting from indemnatee's service to the Association or to another entity at the Association's request.

6.2 Procedure. Indemnatee shall notify the Association promptly of the threat or commencement of any proceeding or legal action with respect to which indemnatee intends to seek indemnification. The Association shall be entitled to assume indemnatee's defense with counsel reasonably satisfactory to indemnatee, unless indemnatee provides the Association with an opinion of counsel reasonably concluding that there may be a conflict of interest between indemnatee and the Association in the defense of the proceeding or legal action. If the Association assumes the defense, the Association shall not be liable to indemnatee for legal or other expenses subsequently incurred by indemnatee.

6.3 Expense Advances. The Association shall advance automatically expenses, including attorneys' fees, incurred or to be incurred by indemnatee in defending a proceeding or legal action

upon receipt of notice and, if required by law, of an undertaking by or on behalf of indemnitee to repay all amounts advanced if it is ultimately determined by final judicial decision (after expiration or exhaustion of any appeal rights) that indemnitee is not entitled to be indemnified for such expenses.

6.4 Settlement of Claims. The Association shall not be obligated to indemnify indemnitee for any amounts incurred in settlement if settlement is made without the Association's prior written consent. The Association shall not enter into any settlement that would impose a penalty or limitation on indemnitee without indemnitee's prior written consent. Neither the Association nor indemnitee will unreasonably withhold consent to any proposed settlement.

6.5 Effect of Repeal. In order that officers and directors may rely on indemnification promised by this article, no repeal or amendment of this article shall reduce the right of indemnitee to payment of expenses or indemnification for acts of indemnitee taken before the date of the repeal or amendment.