

**BY-LAWS
OF
PINETOP CROSSING CONDOMINIUM ASSOCIATION, INC.**

**ARTICLE I
DEFINITIONS AND APPLICABILITY**

1.1. **Definitions.** In these By-Laws, unless the context otherwise requires; all definitions shall be as set forth in the Condominium Declaration for PINETOP CROSSING CONDOMINIUM recorded in the office of the County Recorder, Navajo County, Arizona on November 13, 2002 as fee number 2202-23686, hereinafter referred to as the "Declaration".

**ARTICLE II
MEMBERSHIP AND VOTING**

2.1. (a) **Qualifications.** Each Unit Owner (including Declarant) of a Unit, by virtue of being such a Unit Owner, and for so long as he/she is such a Unit Owner, shall automatically be a member of the Association and each Unit Owner confirms that his/her acquisition of such Unit shall be deemed an express consent to such membership and its requirements. The foregoing is not intended to include persons or entities who hold an interest in a Unit solely as security for the performance of an obligation, or a lessee or tenant of a Unit Owner or a purchaser or vendee under an executory contract of sale which has not closed or been recorded in the office of the County Recorder, Navajo County, Arizona. No Unit Owner shall have more than one (1) membership for each Unit owned.

(b) **Certificates of Membership.** Each Unit Owner is automatically a member of the Association. The Association shall issue the same number of certificates of membership in the Association as there are Units to Unit Owners reflecting their voting status as provided for in the Declaration. In the event any Unit is owned by two (2) or more persons, a single certificate shall be issued in the name of all of said 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 Unit Owner of record. Any member who has disposed of all his/her interest in any Unit shall forthwith surrender his/her 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/her interest in a Unit. Failure to surrender such certificate shall, nevertheless, upon the sale by a member of his/her interest in any Unit void his/her certificate and all of his/her rights as a member of the Association. No

member may resign from membership in the Association so long as such member is a Unit Owner.

(c) **Transfer of Membership.** Membership of each Unit Owner (including Declarant) in the Association shall be appurtenant to the Unit owned and shall not be transferred, pledged or alienated in any way except upon the transfer of ownership to said Unit, and then only to the transferee thereof. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership of a Unit shall operate automatically to transfer said membership to the new Unit Owner thereof.

2.2. Voting Rights. The Association shall have one (1) class of voting membership. Each Unit Owner shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as the Unit Owners may determine, but in no event shall more than one (1) vote be cast with respect to any Unit owned by a member.

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

ARTICLE III ADMINISTRATION

3.1. Association Responsibilities. The Association shall have the responsibility of the proper and efficient management and operation of the Common Elements, 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 Unit Owner for every problem which affects more than one (1) Unit.

3.2. Annual Meetings of Unit Owners. There shall be an annual meeting of the Unit Owners on January 31st of each year at such time and place convenient to the Unit Owners 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 Unit Owners not less than ten (10) nor more than fifty (50) days prior to the date fixed for said annual meeting specifying the date, time and place thereof.

SEE AMENDMENT ONE DATED MAY 26, 2007 FOLLOWING PAGE 15

3.3. Special Meetings of Unit Owners. A special meeting of the Unit Owners may be called at any reasonable time and place by written notice of the President, the Board of Directors or by the

Unit Owners having one-tenth (1/10) of the total votes and delivered notice to all other Unit Owners not less than ten (10) days nor more than fifty (50) 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 Unit Owners present, either in person or by proxy.

3.4. Notice of Meeting. It shall be the duty of the Secretary of the Association to mail or deliver a notice of 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 Unit Owner of record. The mailing or delivery of such notice to each Unit Owner shall be considered notice served. Unless provided or required otherwise by applicable law, the record date for determining members entitled to notice of and to vote at an annual or special members meeting is the date before the effective date of the first notice to the members.

3.5. Quorum and Adjourned Meeting. The presence at any annual meeting, in person or by proxy, of the Owners entitled to vote at least twenty-five percent (25.00%) of the total votes shall constitute a quorum. The presence at any special meeting, in person or by proxy, of the Owners entitled to vote at least fifteen percent (15.00%) of the total votes shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Owners 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 same as that for the original meeting. Except as otherwise provided herein, any action may be taken at any meeting of the Owners upon the affirmative vote of the Owners having a majority of the total votes present at such meeting either in person or by proxy.

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

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Report of officers.
- (e) Report of committees.

- (f) Election of Directors.
- (g) Unfinished business.
- (h) New business.

**ARTICLE IV
BOARD OF DIRECTORS**

~~4.1. Number and Qualifications.~~ The affairs of the Association shall be conducted by a Board of Directors, who need not be Unit Owners, comprised of not more than nine (9) persons, nor less than three (3) persons. ~~Director shall not be compensated for serving as directors of the corporation.~~

SEE AMENDMENT TWO DATED NOVEMBER 24, 2009 FOLLOWING PAGE 16

~~4.2. Election and Term of Office.~~ Subject to the requirements of Section 4.1 of these By-Laws, the Directors shall be elected at a regular annual meeting of the Association by majority vote of the total votes cast by the membership by Unit Owners present either in person or by proxy, constituting a quorum, for a term until the next regular annual meeting unless a longer or shorter term is authorized as hereinafter provided and shall hold office until their successors are elected and qualify. As provided in and limited by the Declaration, the Declarant reserves the exclusive right to appoint the Officers and Directors of the Association and may do so without calling a meeting therefor. The members of the Board may succeed themselves indefinitely, but in no instance shall there be more than one (1) Board member from each Unit.

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The Board of Directors prior to a regular annual meeting shall appoint a nominating committee to obtain a list of names of Unit Owners who desire to serve on the Board of Directors to be elected at the forthcoming regular annual meeting and the nominating committee shall inform the Unit Owners that it is accepting names of persons to serve on the Board of Directors. After the nominating committee has determined which Unit Owners 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 Unit Owners. A Unit Owner may be elected to the Board of Directors even though his/her 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.

4.3. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by vote of the Unit Owners 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.

4.4. 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 Unit 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.

4.5. Organizational 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.

4.6. 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, by mail or telephone at least three (3) days prior to the day set for such meeting.

4.7. Special Meetings. Special meetings of the Board of Directors may be called by the chairperson of the Board of Directors or the President on three (3) day's notice to each Director, given personally, by mail or telephone, which notice shall state the date, time, 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) day notice requirement for calling a special meeting and convene a special meeting at such time and place as agreed upon by the majority of Directors.

4.8. 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 a quorum is present when a meeting is convened, the quorum shall be deemed to exist until the meeting is adjourned notwithstanding the departure of one or more 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 then

present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.9. Powers and Authority of the Board. The Board of Directors shall have all the powers of an Arizona nonprofit 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 limiting 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 Elements. The Board shall determine all maintenance and repair expenses on the basis of at least three (3) independent bids whenever logical and 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 Unit Owners.

(c) Designation and dismissal of personnel necessary for the maintenance and operation of the Common Elements.

(d) To maintain insurance coverage as provided for in Article 8 of the Declaration.

(e) To grant and convey to any person easements, rights-of-way, parcels or strips of land in, on, over or under any portion of the Common Elements for the purpose of constructing, erecting, operating or maintaining thereon, therein and thereunder (1) roads, streets, walks, pathways and driveways; (2) temporary overhead or permanent underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, telephone, cable television, and other purposes; (3) sewers, storm drains and pipes, drainage easements, water systems, water, heating and gas lines or pipes; and (4) any similar or quasi public improvement or facilities.

(f) To retain and pay for legal and accounting services necessary or proper in the operation of the Common

Elements, enforcement of these By-Laws and the Declaration, or in any of the other duties or rights of the Association.

(g) 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 Elements.

(h) To enter at any reasonable time upon any exterior portion of any Unit for the purpose of carrying out its duties and obligations for exterior maintenance and landscaping pursuant to Article 5 of the Declaration.

(i) In the event any property owned by the Association is damaged or destroyed by a Unit Owner or any of his/her guests, agents, tenants, invitees, licensees or members of his/her family, such Unit Owner does hereby irrevocably authorize the Association to repair said damage, and the Association shall so repair said damage in a good workmanlike manner in conformance with the original plans and specifications therefor. Said Unit Owner shall then repay the Association the amount actually expended for said repairs.

In the event of a dispute between a Unit Owner 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 Unit Owner delivered 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 Unit Owner 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 Navajo County, Arizona. A determination by any two of the three arbitrators shall be binding upon said Unit Owner 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.

(j) To regulate the use and provide for appropriate safety measures for the Common Elements.

(k) To maintain the Common Elements in a neat and attractive manner.

(l) To construct new improvements or additions to the Common Elements 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 4.9(a) hereof) involving a special assessment, two-thirds (2/3) of the total votes cast by the membership of the Association 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 Unit Owners for the cost of such work pursuant to these By-Laws and the declaration.

(m) To select and employ a trust company, bank, or professional property management company, in southern Arizona, to collect and disburse funds of the Association under such terms and conditions approved by the Board.

(n) To grant and convey easements and rights-of-way in accordance with the terms of the Declaration.

4.10 Management. The Board shall control, maintain, manage and improve the Common Elements as provided in these By-Laws, the Articles and the Declaration. Such right and power of control and management shall be exclusive. In managing the Common Elements, the Association hereby accepts all responsibility for the control, maintenance, safety and liability of such Common Elements including, but not limited to, collecting and paying taxes on Common Elements, which shall be assessed by the County Assessor.

4.11 Taxes. Unit Owners shall pay all real estate and personal property taxes which may be assessed against their respective 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 Unit Owners.

4.12 Fidelity Bonds. The Association shall purchase and maintain in force, fidelity coverage against dishonest acts on the part of Directors, officers, managers, trustees, employees, or volunteers responsible for handling funds belonging to or administered by the Association. Such fidelity bonds or insurance shall name the Association as the named insured and shall be written in an amount sufficient to provide protection, which is, in no event, less than 1-1/2 times the insured's estimated annual operating expenses and reserves, and provide for at least ten (10) days notice to the Association and First Mortgagees servicing FNMA owned mortgages before cancellation or substantial modification of the bond. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added, if the policy would not otherwise cover volunteers.

4.13 Assessments. The Board of Directors shall levy and collect assessments pursuant to the provisions of these By-Laws and Article 7 of the Declaration. The assessments levied by the Association shall be used exclusively for the improvement and maintenance of the Common Elements and for all purposes set forth in the Articles, Declaration and these By-Laws. The Board of Directors of the Association shall provide that Association dues, charges or assessments shall include an adequate reserve fund for maintenance, repairs and replacement of the Common Elements owned by the Association that must be repaired or replaced on a periodic basis. All such dues, charges and assessments imposed by the Association shall be paid on a periodic basis in regular installments rather than by special assessments.

The Board of Directors shall keep or provide for the keeping of books with detailed accounts affecting the administration of the Common Elements specifying the maintenance, repair and replacement expenses thereof and any other expenses incurred. The books and vouchers shall be made available for examination to any of the Unit Owners at convenient hours on working days. At the Annual Meeting, the Board shall make available to the members of the Association a complete financial report pertaining to the Association's financial condition. Upon the vote or written request of twenty-five percent (25%) of the Association's members, the Board shall appoint a committee of at least three (3) members to audit the books, or in the alternative, shall contract with a private accounting firm to audit same.

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 Unit Owner. This authority shall include, but shall not be limited to, the following:

(a) 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 these By-Laws or the Declaration or which are authorized by the Unit Owners for the convenient operation of the Common Elements.

(b) Workmen's Compensation Insurance to the extent necessary to comply with any applicable laws.

(c) 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 Elements, protection of any of the Common Elements or in the best interest of the Unit Owners.

(d) As provided in Article 5 of the Declaration, maintenance, repair, upkeep and repainting (interior) of Units, including all other improvements on a Unit, shall be the sole responsibility of each Unit Owner. In the event any Unit Owner fails to maintain his/her Unit or the exterior of his/her Unit or any other improvement on a Unit in a manner in keeping with the general neighborhood, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents or employees, to enter upon the subject property, and repair, maintain and restore the Unit, and any improvements thereon. The cost of such repair and maintenance shall be added to and become part of the assessment to which such Unit is subject. The Board in its sole discretion shall have the right to determine whether or not a Unit or the exterior of a Unit or any improvements on a Unit is in need of maintenance, repair or upkeep in order to conform to the standards of the general neighborhood, and the Board shall use a reasonably high standard to determine whether such maintenance, repair or upkeep is required so that the Units as a whole will reflect a high pride of ownership.

(e) 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 Unit Owner shall be assessed especially against such Unit Owner.

4.15 Rules and Regulations. The Board of Directors shall have the power to adopt and publish rules and regulations ("Rules") governing the use of the Common Elements, and Rules shall be binding upon the members of the Association.

ARTICLE V

OFFICERS

5.1 Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary and Treasurer, all of whom shall be Directors. Any number of offices, except the office of President and Secretary, may be held by the same person, unless the Articles or these By-Laws otherwise provide.

5.2 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.

5.3 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/her

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.

5.4. President. The President shall be the chief executive officer of the Association. He/she shall preside at all meetings of the Association and the Board of Directors. He/she shall have general and active management powers and duties including, but not limited to, the power to appoint committees from among the Unit Owners from time to time as he/she may in his/her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5.5 Vice President. The Vice President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. If neither the President nor the 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 shall from time to time be imposed upon him/her by the Board of Directors.

5.6 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.

5.7 Treasurer. The Treasurer shall have custody of and be responsible 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, a bank, or a professional property management company as authorized under Section 4.9(m) of these By-Laws. The Treasurer shall be responsible for the deposit of all monies and other valuable effects which he/she 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/her signature. The Board may require the signature of one other member of the Board for disbursement of Association funds.

ARTICLE VI OBLIGATION OF UNIT OWNER

6.1 Assessments.

(a) **Personal Obligation and Non-Exemption.** All Unit Owners shall be personally obligated to pay assessments imposed by the Association to meet all common expenses. No Unit Owner may exempt himself/herself from any assessment by waiver or non-use of the Common Elements or by abandoning his/her Unit. The assessments shall be made in the manner provided in Section 4.13 of these By-Laws and Article 7 of the Declaration.

(b) **Charges for Repairs.** Each Unit Owner agrees that the charges for repairs as determined pursuant to Section 4.9(i) of these By-Laws if not paid within ten (10) days after completion of the work shall become a lien upon said Unit Owner's Unit and shall continue to be such a lien until fully paid. The amount owed by said Unit Owner to the Association shall be a debt, and shall be collectible by any lawful procedure allowed by these By-Laws or 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 provision been set forth herein.

(c) **Effect of Nonpayment of Assessments; Remedies of the Association.** Each Unit Owner shall be deemed to covenant and agree to pay to the Association the assessments provided for herein and the Declaration, and agrees to the enforcement of the assessments in the manner herein specified and as specified in the Declaration. All assessments delinquent for more than thirty (30) days shall be subject to a reasonable late charge to be established by the Board of Directors and which shall become a part of the assessment. All delinquent assessments shall also bear interest at the rate of twelve percent (12%) per annum and late payments shall first be credited toward interest due, then toward assessments first due. In the event the Association employs an attorney for collection of any assessments, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of these By-Laws or the Declaration, or for any other purpose in connection with the breach of these By-Laws or the Declaration, each Unit Owner agrees to pay reasonable attorney's fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Unit Owner. In the event of a default in payment of any assessment, in addition to any other remedies herein or by the Declaration provided, the Association may enforce each such obligation in any manner provided by law or in equity.

6.2 Maintenance and Repair.

(a) Each Unit Owner must perform promptly all maintenance and repair work on and within his/her own Unit, which

if neglected would affect the Properties in its entirety or in part belonging to other Unit Owners or the Association, being expressly responsible for the damages and liabilities that his/her failure to do may engender.

(b) All the repairs of internal installations of the 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 Unit shall be at the Unit Owner's expense. In addition, Unit Owners shall bear the expense and responsibility for all glass surfaces, exterior T.V. antennas, exterior lighting fixtures, and landscaping, as permitted.

(c) Each Unit Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any portion or all of the Common Elements damaged through his/her fault, except to the extent covered by insurance.

(d) Unit Owners shall not, without the written consent of the Board of Directors, make any alterations in the Common Elements or remove any improvements or fixtures therefrom.

ARTICLE VII AMENDMENTS

7.1 By-Laws. These By-Laws may be amended in whole or in part by the Association in a duly constituted meeting held for such purpose by a vote of the then Unit Owners of not less than fifty-one percent (51%) of the total number of Units covered by the Declaration.

ARTICLE VIII MORTGAGES

8.1. Mortgage Protection. First Mortgagees are hereby granted the right to jointly or singly pay taxes or other charges which are in default and which may or have become a charge against any Common Elements or other property owned by the Association, and such First Mortgagees may, jointly or singly, pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Elements and any First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Nothing in these By-Laws shall in any manner be deemed to give a Unit Owner, or any other party, priority over any rights of a First Mortgagee of a Unit pursuant to the terms of its mortgage in the case of a distribution to a Unit Owner of insurance proceeds or condemnation awards for losses to or a

taking of the Common Elements or other property owned by the Association.

Each First Mortgagee shall, upon notice to the Association, be entitled to a written notification from the Association of any default in the performance by the Unit Owner of a Unit encumbered by the mortgage in favor of such mortgagee or any obligation under these By-Laws or under the Declaration, Articles of Incorporation, Rules of the Association which is not cured within sixty (60) days after notice thereof.

8.2 Notice to Association. A Unit Owner who mortgages his/her 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/her mortgagee; and the Association shall maintain such information.

8.3 Notice of Unpaid Assessments. The Association shall, at the request of a mortgagee of a Unit, report any unpaid assessments due from a Unit Owner.

ARTICLE IX GENERAL PROVISIONS

9.1 Conflict. In the event of any conflict or inconsistency between the provisions of these By-Laws and the Declaration, the Declaration shall prevail and supersede such conflicting or inconsistent provisions of these By-Laws. In the event of any conflict or inconsistency between the provisions of these By-Laws and the Articles of Incorporation, the Articles of Incorporation shall prevail and supersede such conflicting or inconsistent provisions of these By-Laws. Neither the Association nor the Board of Directors, nor any agent or employee shall be authorized or empowered to take any action inconsistent with the provisions of the Declaration.

9.2 Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

9.3 Captions. All captions and titles used in these By-Laws are intended solely for the convenience or reference purposes only and in no way define, limit or describe the true intent and meaning of the provisions hereof.

IN WITNESS WHEREOF, the Association, a nonprofit Arizona Corporation, has hereunto caused its corporate name to be signed, its corporate seal affixed, and the same to be attested by the

signature of its duly authorized officer this 24 day of
March, 2003.

ADOPTED BY RESOLUTION OF THE
BOARD OF DIRECTOR

March 24, 2003, 2003

Julie Mastriani, Secretary
Secretary

AMENDMENT ONE TO THE
BY-LAWS OF
PINETOP CROSSING CONDOMINIUM ASSOCIATION, INC.

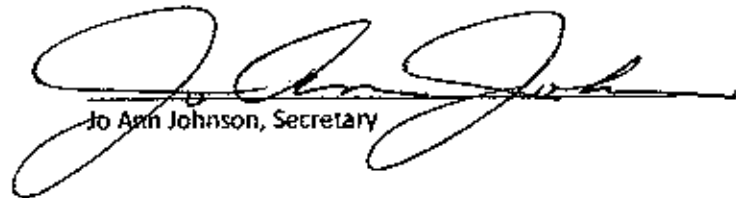
An Annual Meeting of Unit Owners of this corporation was duly called and held May 26, 2007 at 3:00 p.m. at the Pinetop Crossing development. A quorum of the unit owners was present or represented by ballot where it was decided by a 55% vote that it is advisable to amend Article III, Section 3.2 of the By-Laws of the corporation.

Therefore, it is RESOLVED, that Article III, Section 3.2 of the By-Laws of Pinetop Crossing Condominium Association, Inc. in its entirety be changed to read as follows:

"3.2 Annual Meetings of Unit Owners. There shall be an annual meeting of the Unit Owners on July 15th of each year at such time and place convenient to the Unit Owners as may be designated by the Board of Directors. The Board of Directors may designate another date for such annual meeting by written notice of the Board given to the Unit Owners not less than ten (10) nor more than fifty (50) days prior to the date fixed for said annual meeting specifying the date, time and place thereof."

The undersigned, Jo Ann Johnson, certifies that she is the duly elected Secretary of this corporation and that the above is a true and correct copy of the resolution that was duly adopted at a meeting of the unit owners that was held in accordance with state law and the By-Laws of the corporation on May 26, 2007. I further certify that such resolution is now in full force and effect.

Dated this 26th day of May, 2007


Jo Ann Johnson, Secretary

**AMENDMENT TWO OF THE
BY-LAWS OF
PINETOP CROSSING CONDOMINIUM ASSOCIATION, INC.**

NOW, THEREFORE, it is **RESOLVED**, by a majority vote of the membership that the By-Laws of Pinetop Crossing Condominium Association, Inc. are amended on November 15, 2009, as follows:

The existing Article IV (Board of Directors) Section 4.1 (Number and Qualifications) and 4.2 (Election and Term of Office) shall be deleted in its entirety and the following shall be substituted:

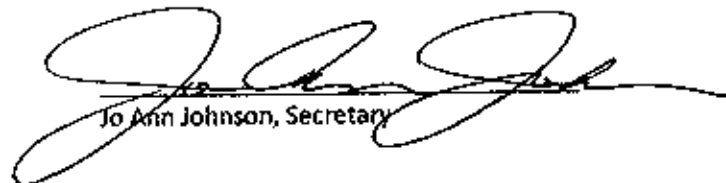
**"ARTICLE IV
BOARD OF DIRECTORS**

4.1. Number and Qualifications. The affairs of the Association shall be conducted by a Board of Directors, consisting of not less than three (3) nor more than seven (7) individuals upon a duly approved and adopted resolution of the Board. Members of the Board of Directors shall be members in good standing of the Association. "Good standing" shall be defined herein as being current in the payment of all general and special assessment obligations as set forth in the Declaration of Covenants, Conditions and Restrictions, and having one's lot in compliance with the restrictive covenants set forth in the aforementioned Declaration and with any rules/regulations as may be promulgated from time to time by the Association, acting through the Board of Directors or the Architectural Review Committee. Directors shall not be compensated for serving as directors of the corporation.

4.2 Election and Term of Office. Subject to the requirements of Section 4.1 of these By-Laws, the Directors shall be elected at a regular annual meeting of the Association by majority vote of the total votes cast by the membership by Unit Owners present either in person or proxy, constituting a quorum. The terms of Directors shall be staggered so as to ensure continuity of Board members. The staggered scheme shall be established initially by the Board of Directors assigning three (3), two (2) and one (1) years terms as necessary, with the term determined by the number of votes received, with the highest number of votes receiving the three (3) year term(s). Thereafter, the normal term of a Director shall be three (3) years. In the event the Board is expanded to seven (7) Directors, the Board shall endeavor to maintain the staggered scheme in the same manner as set forth above. That notwithstanding, the failure or inability of the Association to preserve a staggered scheme on the Board of Directors shall not be deemed as a defect to any serving Board, and such Board shall enjoy all powers and authority, and shall be burdened with the same duties, as the staggered Board of Directors. Directors shall serve until succeeded in their position by a successor duly elected by the Association, or until resignation, removal or incapacity. There shall be no limit to the number of terms a Director may serve."

The undersigned, Jo Ann Johnson, certifies that she is the duly elected Secretary of this corporation and that the above is a true and correct copy of the resolution that was duly adopted by mail-in ballot voting of the membership in accordance with state law. The RESOLUTION was ratified by the Board of Director's at its meeting held on November 24, 2009. I further certify that such resolution is now in full force and effect.

Dated this 24th day of November, 2009


Jo Ann Johnson, Secretary