

1991 REVISION OF
BYLAWS
FOR
HILLCREST NINE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

The name of the corporation is Hillcrest Nine Homeowners' Association, Inc., hereinafter referred to as the "Association". The principle office of the corporation shall be located in Phoenix, Maricopa County, Arizona. Meetings of the members and directors may be held at such places within Phoenix, Maricopa County, Arizona, as may be designated by the Board of Directors.

ARTICLE II

The members of the Association shall be the owners of record of lots 1 through 120 of the subdivision designated as Hillcrest Nine in the records of the County Recorder of Maricopa County Arizona.

ARTICLE III

Section 1

The annual meeting of the members shall be held in the month of January of each year on a date designated by the Board of Directors which is not a Sunday or a holiday. Notice of such meeting shall be given as herein provided.

Section 2

Special meetings of the members may be called by the President, and shall be called by the President upon written demand therefor signed by at least 36 members and delivered to the President at least twenty (20) days prior to the date specified in the request for special meeting. No special meeting of the members shall be called for a date which is a Sunday or holiday.

Delivery of written demand for a special meeting may be made by personal delivery to the President at his residence or by United States mail, postage prepaid, addressed to the President at his residence. Service of the demand shall be deemed complete upon personal delivery or forty-eight (48) hours after deposit in the United States mail.

Section 3

Written notice of the annual meetings and special meetings shall be served on members not less than ten (10) days, nor more than fifty (50) days prior to such meeting. Service of

the notice may be either by personal delivery or by United States mail, postage prepaid, addressed to each member at his or her address as it appears on the books of the Association. The notice of the meeting shall specify the date, time and place for such meeting and, in the case of a special meeting, the general nature of the business to be transacted.

Section 4

The presence in person or by proxy of 40 members shall constitute a quorum for the transaction of business. If any meeting cannot be held because a quorum is not present, the members present shall 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 the subsequent meeting the presence in person or by proxy of 24 members shall constitute a quorum for the transaction of business. Notice of the reconvened meeting may be given by United States mail or by leaving a copy of the notice at each of the residences within the subdivision.

ARTICLE IV

Section 1

All members shall be entitled to one vote for each lot owned except as hereinafter provided. When more than one person holds an interest in any lot all such persons shall be members, but the vote for such lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any lot. In the event that any member of the Association shall be in default of the performance of, or in breach of, any term of the Declaration of Covenants, Conditions and Restrictions for Hillcrest Nine, said member's right to vote shall be suspended, and the right to vote shall remain suspended until all payments are brought current or all defaults and breaches remedied. The right to be a member of the association and to vote shall cease immediately upon said member conveying his or her entire interest in any lot.

Section 2

Every member entitled to vote may do so either in person or by written proxy filed with the Secretary. Every proxy shall be revocable.

ARTICLE V

Section 1

The affairs of the Association shall be managed by a Board of Directors consisting of five (5) directors elected at the annual meeting. The term of a director shall be one year, and each

director shall be a member of the Association. The Board of Directors shall have authority to delegate its duties, but any member may appeal to the Board of Directors for relief from the decision or action of any officer or agent.

Section 2

The President of the Association shall, at least thirty (30) days prior to the annual meeting, appoint a nominating committee to make nominations for the Board of Directors. Nominations may also be made by any member at the annual meeting. The nominating committee shall consist of a chairperson and at least two other members of the Association. The nominating committee may make as many nominations as it shall deem appropriate, but such nominations shall be not less than the number of vacancies that are to be filled at the annual meeting. Nominations must be made from among the members of the Association.

Section 3

At the annual meeting, the members shall elect five Directors for a term of one (1) year. A majority of the votes of those present being required for the election of a Director.

Section 4

A director may be removed from office by a majority vote of the members present in person or by proxy at any special meeting, noticed and called for that purpose

Section 5

Vacancies in the Board of Directors may be filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining Director, and each Director so elected shall hold office until his successor is elected at an annual meeting of members or at a special meeting called for that purpose.

Section 6

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 authorizing an increase in the number of Directors.

Section 7

A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any Director, or if the members fail at any time to elect the full number of authorized Directors.

Section 8

If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the board, or the members, shall have the power to elect a successor to take office when the resignation shall become effective.

Section 9

No reduction of the number of Directors shall have the effect of removing any Director prior to the expiration of his or her term in office.

Section 10

No Director shall receive compensation for any service he or she may render to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties.

ARTICLE VI

Section 1

Meetings of the Board of Directors shall be held at such place as is designated for that purpose from time to time, by resolution of the Board of Directors or written consent of all of the members of the Board. Any meeting shall be valid, wherever held, if held by the written consent of all members of the Board of Directors, given either before or after the meeting and filed with the Secretary of the Association.

Section 2

The organizational meetings of the Board of Directors shall be held immediately following the adjournment of the annual meetings of the Members.

Section 3

Regular meetings of the Board of Directors shall be held at such time and place as may be agreed upon from time to time by the Board. No notice need be given to each Director of a regular meeting date.

Section 4

Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President or, if he is absent or unable or refuses to act, by the Vice President or by any two Directors.

Written notices of the time and place of special meetings shall be delivered personally to the Directors or sent to each Director by letter or by telegram, charges prepaid, addressed to the Director's address as it is shown upon the records of the Association. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company in the place in which the principal office of the Association is located at least forty-eight (48) hours prior to the time of the holding of the meeting. In case such notice is personally delivered, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided shall be due, legal and personal notice to such Director.

Section 5

When all of the Directors are present at any Directors' meeting, however called or noticed, and sign a written consent thereto on the records of such meeting, or, if a majority of the Directors is present, and if those not present sign in writing a waiver of notice of such meeting, which said waiver shall be filed with the Secretary of the Association, the transactions thereof are as valid as if a meeting had been regularly called and noticed.

Section 6

Notice of the time and place of holding an adjourned meeting need not be given to the absent Directors if the time and place be fixed at the meeting adjourned.

Section 7

The presence of three Directors shall be necessary to constitute a quorum for the transacting of business, and the action of a majority of the Directors present at any meeting at which there is a quorum, when duly assembled, is valid as a corporate act; provided that a majority of the Directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business.

Section 8

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all of the members of the Board shall individually or collectively consent in writing to such action. Such written consent shall be filed with the Minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such Directors.

ARTICLE VII

Section 1

The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing (i) the use of the Common Area and (ii) personal conduct of the Members and their guests thereon and to establish penalties for the infraction thereof;

(b) Suspend the voting rights of a Member during any period in which such Member shall be in default in payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days, for infraction of published rules and regulations.

(c) Exercise for the Association all powers, duties and authorities vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration of Covenants, Conditions and Restrictions.

(d) 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 regular meetings of the Board of Directors.

(e) Employ a manager, an independent contractor or such other employee(s) as it deems necessary and to prescribe their duties.

Section 2

It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate 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 one-fourth (1/4) of the Members who are entitled to vote;

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

(c) Establish the annual assessment period and fix the amount of the annual assessment against each Member for each lot owned at least thirty (30) days in advance of each annual assessment period;

(d) Send written notice of each assessment to every Owner at least thirty (30) days in advance of each annual assessment period;

(e) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date thereof or to bring an action at law against the Owner personally obligated to pay same;

(f) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If the certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(g) Procure and maintain adequate liability insurance with respect to the Common Areas.

(h) Cause all officers and employees having fiscal responsibilities to be bonded in such amount as it may deem appropriate;

(i) Pay taxes which would be a lien upon the Common Area and to pay and discharge any lien or encumbrance levied against the Common Area;

(j) Cause the Common Area to be maintained;

(k) Enforce the Declaration of Covenants, Conditions and Restrictions for Hillcrest Nine.

ARTICLE VIII

Section 1

The officers of the Association shall be a President, Vice President, Secretary and Treasurer. The Association may also have, at the discretion of the Board of Directors, such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. Except for the office of President of the Association, one person may hold two or more offices.

Section 2

The officers of the Association, except such officers as may be appointed in accordance with the provisions of Section 3 of this Article, shall be chosen annually by the Board of Directors, and each shall hold office until he or she shall resign or shall be removed or otherwise disqualified to serve, or his or her successor shall be elected and qualified. No person shall be chosen as President of the Association who is not also a Director.

Section 3

The Board of Directors may appoint such other officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine.

Section 4

Any officer may be removed from office, either with or without cause, by a majority of the Directors at any regular or special meeting of the Board, 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 Secretary of the Association. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5

A vacancy in any office 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.

Section 6

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 affairs of the Association. The President shall: preside at all meetings of the Members and at all meetings of the Board of Directors, be ex-officio a member of all of the standing committees, have the general powers and duties of management usually vested in the office of president of a corporation, and have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws. The President shall sign all instruments and shall co-sign all checks and promissory notes.

Section 7

In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to, all the restrictions as the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed, respectively, by the Board of Directors or these

Bylaws.

Sections 8

The Secretary shall keep, or cause to be kept, a book of Minutes at the principal office, or such other place as the Board of Directors may order, of all meetings of Directors and Members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, the number of Members present or represented at Members' meetings and the proceedings thereof.

The Secretary shall give, or cause to be given, notice of all meetings of the Members and of the Board of Directors required by these Bylaws or by law to be given, and the Secretary shall keep the seal of the Association in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 9

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses and surplus. The books of account shall at all reasonable times be open to inspection by any Director.

The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Association with such depositories as may be designated 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 they request it, an account of all transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

ARTICLE IX

Section 1

The Association shall maintain adequate and correct accounts, books and records of its business and properties. All such books, records and accounts shall be kept at its principal place of business in the State of Arizona, as fixed by the Board of Directors from time to time, and upon the written request of any Member, shall be made available for inspection.

Section 2

The Member register, the books of account and Minutes of proceedings of the Members and the Board of Directors and of Executive Committees of the Directors of the Association shall be open to inspection upon the written demand of any Member. The books will be made available within ten (10) days of the written request for a purpose reasonably related to the interests of a Member. These books shall be exhibited at any time when required by the demand at any Members' meeting of one-fourth (1/4) of the Members represented at the meeting.

Demand for inspection other than at a Members' meeting shall be made in writing upon the President or Secretary of the Association.

Section 3

The original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, shall be open to inspection by the Members at all reasonable times.

Section 4

All checks, drafts and other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board of Directors.

Section 5

The Board of Directors, except as these Bylaws otherwise provide, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or to any amount.

Section 6

The Board of Directors shall cause an annual report to be sent to the Members not later than sixty (60) days after the close of the fiscal year.

ARTICLE X

Section 1

The corporate seal shall be circular in form, and shall have inscribed thereon the name of the Association, the date of its incorporation and the word "Arizona".

ARTICLE XI

The fiscal year of the Association shall begin on the first day of January and end on the 31th day of December of every year.

ARTICLE XII

The Association shall at the request of a mortgagee or beneficiary of a deed of trust upon a lot report any unpaid assessments due from the Owner of the lot.

ARTICLE XIII

Section 1

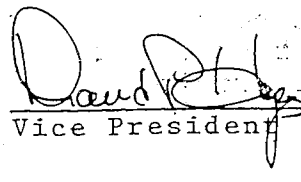
New Bylaws may be adopted or these Bylaws may be repealed or amended at any annual meeting, or at any other meeting of the Members called for that purpose, by a vote of a majority of the quorum of Members present in person or by proxy.

Section 2

Whenever an amendment or new Bylaw is adopted, it shall be copied in the book of Bylaws with the original Bylaws. The date of the meeting at which the new or amended Bylaw was enacted shall be stated in said book.




President



Vice President



Secretary/Treasurer



Notary Public

My Commission Expires Jan. 4, 1993