

BY-LAWS
OF
ARROWPOINT HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the corporation is Arrowpoint Homeowners' Association, Inc., an Arizona corporation, hereinafter referred to as the "Association". The principal office of the corporation shall be located in Phoenix, Arizona, but meetings of members and directors may be held at such places within the State of Arizona, County of Maricopa, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS.

Unless otherwise defined herein, all defined terms used in these Bylaws shall have the meaning given such terms in the Declaration of Covenants, Conditions and Restrictions for Arrowpoint recorded in the office of the county recorder of Maricopa county, Arizona, as amended from time to time (the "Declaration") which Declaration is incorporated herein by this reference.

ARTICLE III

MEETING OF MEMBERS.

Section 1. Annual Meetings. An annual meeting of the Members shall be held at 7:00 P.M. on the second Tuesday of December of each year commencing in 1997 at the principal place of business of the Association or at such time, on such date and/or at such other place as the Board may specify. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a Saturday, Sunday or a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all the votes of the Class A membership or by the Declarant during the existence of Class B membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE.

Section 1. Number. The affairs of this Association shall be managed by an initial Board of three (3) directors. The number of directors shall be fixed from time to time by resolution of the Board but in no event shall there be less than three (3) nor more than nine (9) directors. Directors may, but need not be Members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect a director for a term of three years. If more than three (3) directors are fixed by the Board to serve, said number shall be elected in a similar manner as determined by the Board.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS.

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by the Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

ARTICLE VI

MEETINGS OF DIRECTORS.

Section 1. Regular Meetings. Regular meetings of the Board shall be held at least quarterly, may be held with or without notice, and at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(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; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties, including authorizing said manager or employee to collect assessments and fees, and to sign checks drawn on appropriate Association bank accounts.

Section 2. Duties. 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 Class A members who are entitled to vote;

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

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

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

(d) issue, or to 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 a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Common Area to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES.

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. 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 any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officers appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Officers. The offices of the secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one or any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President.

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; and shall sign all leases, mortgages, deeds, promissory notes and other written instruments except checks.

Vice-President.

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary.

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their address, and shall perform such other duties as required by the Board.

Treasurer.

(d) The treasurer or management agent shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES.

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose. Each committee shall hold meetings in such a manner and upon such notice as provided by Article VI hereof with all references to "directors" therein to refer to committee members and all references to the "Board" to refer to the committees.

ARTICLE X

BOOKS AND RECORDS.

The books, records and papers of the Association as well as the Declaration, Articles of Incorporation and By-Laws of the Association shall at all times, during reasonable business hours, be subject to inspection by any member, lender, or the holder, insurer or guarantor of any first mortgage, at

the principal office of the Association, where copies of the legal documents may be purchased at a reasonable cost.

ARTICLE XI

ASSESSMENTS.

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent.

ARTICLE XII

CORPORATE SEAL.

The Association shall have a seal in circular form having within its circumference the words: Arrowpoint Homeowners' Association, Inc., incorporated Arizona, 1996.

ARTICLE XIII

AMENDMENTS.

Section 1. These By-Laws may be amended at a regular or special meeting of the members, by a vote of a majority of a shall have the right to veto amendments while there is a Class B membership.

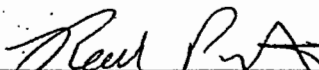
Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV


MISCELLANEOUS.

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of the incorporation.

IN WITNESS WHEREOF, we, being all of the Directors of the Association have
hereunto set our hands this 19 day of July ~~June~~, 1996.



Reed Porter



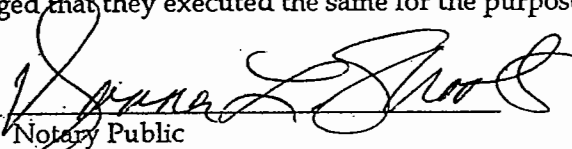
Shawn Porter



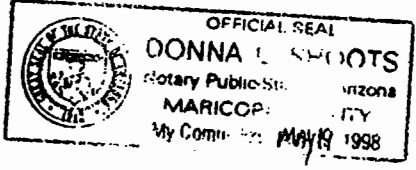
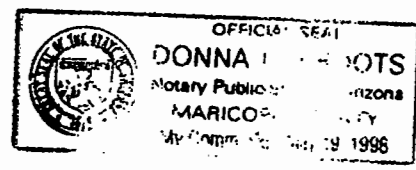
Mark Funk

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 19th day of June, 1996, before me, a Notary Public, personally appeared Reed Porter, Shawn Porter, Mark Funk, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged that they executed the same for the purposes therein contained.


Notary Public

My Commission Expires:



CERTIFICATION

I, MARC BAILES the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of Arrowpoint Homeowners' Association, Inc., an Arizona non-profit corporation, and

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 14th day of June, 1996.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affix the seal of said Association this 14th day of June, 1996.

Marc Baile
Secretary