

**BYLAWS FOR
LINWOOD HEIGHTS HOMEOWNERS' ASSOCIATION**

FLAGSTAFF, ARIZONA

an Arizona Corporation

Prepared and Approved by:

Linwood Heights Homeowners' Association
Board of Directors

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**BYLAWS FOR
LINWOOD HEIGHTS HOMEOWNERS' ASSOCIATION**

an Arizona Corporation

ARTICLE I. PURPOSE

The purpose for which this corporation (hereinafter called 'Association'), is organized is for the transaction of any or all lawful business, for which non-profit corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

ARTICLE II. MEMBERSHIP IN ASSOCIATION

Refer to Section II of the Covenants, Conditions and Restrictions (CC&R's) for the Linwood Heights Subdivision (hereinafter called 'CC&R's').

ARTICLE III. MEETINGS OF LOT OWNERS

Refer to Section III, paragraphs a and b, of the CC&R's.

ARTICLE IV. BOARD OF DIRECTORS

a. Board Scope

Subject to the limitation of the CC&R's, these Bylaws, and the laws of the State of Arizona as to action to be authorized or approved by the lot owners, all Association powers shall be exercised by, or under the authority of, a Board of Directors (hereinafter called the 'Board'). All business and affairs of this association shall be controlled by the Board.

b. Board Makeup and Quorum

The Board shall number at least five (5), and no more than ten (10) members. For the purpose of official business, a quorum shall be three (3) directors, one (1) of whom must be an officer as defined in Article V below.

c. Board Member Qualifications and Election

All members of the Board must be lot owners. In the case of multiple owners of a lot, only one may serve on the Board at a time if duly elected thereto. Board members are elected by ballot each year at the annual Association meeting (as stated in Section III, paragraph a, of the CC&R's). Sitting Board members shall prepare a list of candidates for the next elected Board. Board members shall serve a two (2) year term, serving until their successors are elected, with half the membership elected each year. The number of new Board members to be elected each year shall be (a) five (5), normally, or (b) that number necessary to maximize Board membership of ten (10) persons, given that vacancies shall have occurred. To respond to vacancies, the sitting Board shall prepare the election ballot to reflect half the Board membership elected each year, defining one (1) year terms for some to be elected Board members if necessary to maintain this balance. A Board member may serve an unlimited number of consecutive terms if elected thereto.

d. Board Vacancy Appointments

In case of vacancies on the Board, brought about by resignation, death or other reasons, the Board may appoint another lot owner or owners to fill the vacancies for the remainder of their normal terms. The Board, however, shall be under no obligation to fill vacancies occurring between elections unless failure to do so would result in a Board of less than five (5) members.

e. Removal for Cause

Board members may be removed for cause either by (a) majority vote of the sitting Board members at one of their duly constituted meetings, or (b) majority vote if a special Association meeting called for that purpose. The Board may not remove several members for cause if the resulting membership would then equal less than five (5) members. However, a special Association meeting called for Board member removal may remove as many members as necessary; if this occurs, the Association in that same special meeting must appoint sufficient interim Board members to have a Board membership of five (5) or more, to serve until the next annual election meeting.

f. Board Meetings

The Board shall meet quarterly; the annual meeting may be considered as a Board quarterly meeting, held on the date prescribed in Section III, paragraph a, of the CC&R's. All lot owners are welcome to attend Board meetings and shall be advised of dates, times and places by the Board.

g. Special Board Meetings

Special Board meetings, for any purpose or purposes, may be called at any time by the President or by any two Board members. Written notice of special Board meetings shall be given to each Board member at least ten (10) days before the date of the meeting.

h. Board Action In Lieu of a Meeting

Any action required or permitted to be taken by the Board may be taken without a meeting, and with the same force and effect, if all members of the Board shall collectively consent in writing to such action. Such consent must then be filed with the regular minutes of the Board.

ARTICLE V. OFFICERS

a. List of Association Officers

The officers of the Association, four (4) in number, shall be President, Vice-President, Secretary and Treasurer. Their duties are listed in paragraphs (e) through (h) below.

b. Election

Officers of the Association shall be chosen annually by the newly elected Board of Directors, who have been elected per guidelines of Article IV, paragraph c, above. The newly elected Board members plus incumbents shall choose all officers from among their group. An officer shall hold his/her office until he/she is replaced by his/her successor, resigns, is removed per Article IV, paragraph e above, or otherwise cannot continue to serve. Officers' terms shall coincide with their elected length of terms on the Board. If an officer resigns, is removed per Article IV, paragraph e above or otherwise cannot continue to serve, the Board shall determine a replacement from among existing Board members as soon as possible.

c. Officers' Salaries

The Board shall establish any salaries for the officers that they deem appropriate.

d. Removal of an Officer

Any officer may be removed, with cause, per guidelines in Article IV, paragraph e above. Once removed, the remainder of the Board membership must appoint a replacement(s) as soon as possible.

e. Duties - President

The President shall be the chief executive officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the business and officers of the Association. He/she shall be an ex-officio member of all standing committees, and shall have the general powers and duties as may be prescribed by the Board or these bylaws.

f. Duties - Vice President

In the absence or disability of the President, the Vice President designated by the Board 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 upon the President. The Vice President shall have such other duties as from time to time may be prescribed for him/her by the Board or these bylaws.

g. Duties - Secretary

The Secretary shall:

(1) Keep, or cause to be kept, a book of minutes of all Board and Association meetings, including the time and place of these meeting, and shall distribute these minutes to all Board members and to any lot owner who requests a copy. If the meeting is a special meeting, the Secretary shall also record the purpose of the meeting and in what manner it was authorized.

(2) Keep, or cause to be kept, (1) a lot register, or duplicate lot register, showing the names of all lot owners and their addresses, (2) the number of lots owned by each, and (3) the date of purchase for the same.

(3) Give, or cause to be given, notice of all Board and Association meetings, authorized or required by these bylaws, within the notice time frame as specified in Section III, paragraph c of the CC&R's.

(4) Maintain master CC&R and bylaw copies, modifying each as changes are made. The master copies shall also be annotated showing the meeting date at which change transaction(s) took place and what the nature of the change(s) were.

(5) Provide CC&R and bylaw copies to lot owners upon request.

(6) Have such other powers and perform such other duties as may be prescribed by the Board or these bylaws.

h. Duties - Treasurer

The Treasurer shall:

(1) 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

membership dues and assessments, assets, liabilities, receipts and disbursements. The books of account shall be open to inspection by any Board member, or to an audit committee as appointed or retained by the Board, at any reasonable time.

(2) Deposit all moneys and other valuables in the name and to the credit of the Association, into such depositories as may be designated by the Board.

(3) Disburse the funds of the Association as may be ordered by the Board.

(4) Render to the President and/or Board an account of all fiduciary transactions upon their request.

(5) Report the Association's financial condition at all Board meetings, as an attachment to the Association's annual meeting notice per Section II, paragraph d(2), of the CC&R's, at the annual meeting itself, and at any other time upon request of the Board.

(6) Have such other powers and perform such other duties as may be prescribed by the Board or these bylaws.

ARTICLE VI. TRANSFER OF LOT OWNERSHIP

a. Old Lot Owner's Obligation

It is the obligation of every lot owner to notify the Association Secretary or Treasurer of any change in his/her lot ownership status. In the event of a sale of his/her lot, the selling lot owner shall give notice of the buyer's name and address. A lot owner remains liable for payment of any assessments, both annual and special, accruing after the sale of his/her lot unless such notice is given.

b. New Lot Owner's Obligation

It is the obligation of every person acquiring an interest in any lot to give notice of such fact to an officer or Board member of the Association. The Association shall not be responsible for failure to notify a lot owner of any meeting if said lot owner has not given the Association notice of his/her ownership.

c. Records Reliance

The Association has the right to rely upon the records of the Coconino County Assessor as to lot ownership and addresses (except as otherwise expressly notified in writing) in the giving of any notice required under these bylaws. Ownership shall be established ten (10) days before the mailing of any notices by the Association. For change of ownership occurring within ten (10) days of the mailing of any notice, it is the responsibility of the selling lot owner to promptly notify the buyer of any pending meeting.

ARTICLE VII. CONTROL OF COMMON PROPERTY

The Association shall supervise, control and maintain the common property within the boundaries of the Linwood Heights Subdivision through the Board of Directors. Each lot owner or joint owners of any one lot shall have an undivided 1/96th beneficial interest in the common property and shall be liable for taxes of same. Conveyance of any lot from one owner to another shall automatically convey the new owner's interest in the common property.

