

KIERLAND GREENS CONDOMINIUM  
COUNCIL OF CO-OWNERS, INC.  
4645 COTTON GIN LOOP  
PHOENIX, ARIZONA 85040

THE FOLLOWING REVISIONS TO THE KIERLAND GREENS CONDOMINIUM BYLAWS ARE PROPOSED TO BRING THE BYLAWS IN CONFORMANCE WITH RECENT STATE LEGISLATION OR IN CONFORMANCE WITH CURRENT PRACTICE.

Issue #2. The text in red is proposed to be deleted and the underlined italic text to be added:

REVISION NO. 1. ARTICLE I. NAME AND LOCATION. The name of the corporation is Kierland Greens Condominium Council of Co-Owners, Inc., hereinafter referred to as the "Council of Co-Owners". The principal office of the corporation shall be located at 4711 North 12th. Street, Phoenix, Arizona 85014, the office of the management company employed by the Association or such other location as set by but meetings of members and directors may be held at such places within Maricopa County, Arizona, as may be designated by the Board of Directors.

Change: Old address is that of Centex Corp., the developer of Kierland Greens. The new address is that of our manager; City Property Management Company. Location of meetings covered in later section.

REVISION NO. 2. ARTICLE II. DEFINITIONS. SECTION 3. "Declarant" shall mean and refer to Centex Homes, a Nevada General Partnership, its successors and assigns, if such successors or assigns should acquire more than one undeveloped unit from the Declarant for the purpose of development and to whom the rights and responsibilities of the Declarant shall be assigned pursuant to a recorded instrument.

Change: Delete Section. The Declarant, Centex Co., no longer has a vote in Kierland Greens.

REVISION NO.3. ARTICLE III. SECTION 1. ANNUAL MEETING. The first annual meeting of the members shall be held within one year from the date of incorporation of the Council of Co-Owners, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 P.M.. 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 legal holiday.

Change: Delete text of Section, replace with "The annual meeting of the members of the Council of Co-Owners shall be on the last Saturday of January at a time and place within Maricopa County, Arizona, as set by the Board of Directors."

Reason for change: Conform to current practice.

REVISION NO. 4. ARTICLE III. 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.

Change: Delete the text "Class A"

Reason for change: There is only one class of membership in the Council of Co-Owners.

REVISION NO. 5. ARTICLE III. MEETING OF MEMBERS. SECTION 4. QUORUM. The presence at a meeting of members entitled to cast, or of proxies entitled to cast "in person or by

absentee ballot" one tenth (1/10) of the votes of each class of "the" membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these bylaws. 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 represented.

Reason: State law prohibits use of proxies and authorizes absentee ballots..

REVISION NO. 6. ARTICLE III. MEETING OF MEMBERS. SECTION 5. PROXIES. ABSENTEE BALLOTS. 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. Each proxy shall be revocable and shall automatically cease upon conveyance by the member of his unit. "absentee ballot. Absentee Ballots are to be included when determining the quorum".

Change: Rename section Absentee Ballots.

Reason for change: State law prohibits use of proxies and permits use of absentee ballots which are included by state law in a quorum count.

REVISION NO. 7. ARTICLE IV. SECTION I. NUMBER. The affairs of the Council of Co-Owners shall be managed by a Board of Directors of not less than three (3) nor more than nine (9) directors, who need not be "seven (7) directors who are" members of the Council of Co-Owners.

Reason for change: To conform with current practice.

REVISION NO. 8. ARTICLE IV. BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE. SECTION 2. TERM OF OFFICE. At the first annual meeting and at each annual meeting thereafter, the members shall elect not less than three (3) directors for a term of one year. "Directors elected at an annual meeting shall immediately upon election take office and serve until a successor is elected at the second annual meeting following the annual meeting of their election. Three directors are to be elected at annual meetings in odd numbered years and four directors elected at annual meetings in even numbered years."

Reason for change: To establish terms for Directors which will expire at the second annual meeting after election. Four directors will be replaced in even year elections and three directors in odd year elections. This will correct the problem we have now of directors elected to two year terms which expire in May instead of at the Annual Meeting in January.

REVISION NO. 9. ARTICLE IV. SECTION 3. REMOVAL.

Change: Delete Section. Replace with: "Directors may only be removed from office in accordance with Section 33-1243 of the State of Arizona Revised Statutes."

Reason for change: State law specifies how directors may be removed from office.

REVISION NO. 10. ARTICLE V. NOMINATION AND ELECTION OF DIRECTORS, SECTION 2. ELECTION. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies "present or by absentee ballot" 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 declared elected.

Reason for change: State law prohibits proxy voting and provides for absentee ballot usage.

REVISION NO. 11. ARTICLE VI. SECTION 1. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held monthly regularly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. "The Board may reschedule board meetings to accommodate directors scheduling conflicts. Board members may vote by telephone in Board meetings they are unable to attend but wish to vote on an issue. The telephone vote does not count as attendance at a meeting."

Reason for change: To conform with current practice. State law permits absentee votes to be delivered by other means (telephone, email, etc.) but this should not be a substitute for attendance at a Board meeting. Board of Directors are required to allow owners to listen to all discussions held prior to a vote. A telephone connection does not provide the means for all owners to hear the phone call.

REVISION NO. 12. ARTICLE VIII. SECTION 8C. SECRETARY. The secretary "or his Board authorized representative" 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 Council of Co-Owners 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 Council of Co-Owners together with their addresses, and shall perform such other duties as required by the Board.

Reason for change: To conform to current practice.

REVISION NO. 13. ARTICLE VIII. SECTION 8D. TREASURER. The Treasurer "or his Board authorized representative" shall receive and deposit in appropriate bank accounts all monies of the Council of Co-Owners and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Council of Co-Owners; keep proper books of account; cause an annual audit of the Council of Co-Owners books to be made by a public accountant "a compilation, review or financial audit of the Council of Co-Owners books to be made" 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.

Reason for change #1: Conform to current practice and recent state law change.

REVISION NO. 14. ARTICLE XII. WORKING CAPITAL FUND. Delete entire section.

Reason for change: This is superceded by CC&R 9.13.

REVISION NO.15. ARTICLE XIV. SECTION 1. AMENDMENTS. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B membership if such agencies have been involved in the making, insuring or guaranteeing of any mortgage loan within the property. Absentee ballot.

Reason for change: Proxy usage replaced by absentee ballot in accord with state law. The rest of the deletion is caused by the elimination of Class B membership used by Centex Corporation.

**BYLAWS OF**  
**KIERLAND GREENS CONDOMINIUM**  
**COUNCIL OF CO-OWNERS**  
**REVISED NOVEMBER 1, 2006**

ARTICLE I.

NAME AND LOCATION. The name of the corporation is Kierland Greens Condominium Council of Co-Owners, Inc., hereinafter referred to as the "Council of Co-Owners". The principal office of the corporation shall be located at the office of the management company employed by the Association or such other location as set by the Board of Directors.

ARTICLE II.

DEFINITIONS

Section 1. "Council of Co-Owners" shall mean and refer to Kierland Greens Condominium Council of Co-Owners, Inc., an Arizona nonprofit corporation, its successors and assigns.

Section 2. "Common Elements" shall mean all portions of the Kierland Greens condominium which are not Units.

Section 3. Deleted, November 1, 2006.

Section 4. "Declaration" shall mean and refer to the Declaration of Condominium and Declaration of Covenants, Conditions, Restrictions and Easements for Kierland Greens applicable to the Property recorded in the office of the Maricopa County Recorder.

Section 5. "Unit" shall mean and refer to any Unit of land shown upon any recorded subdivision map of the Covered Property with the exception of the Kierland Greens Common Areas.

Section 6. "Member" or "Co-Owner" shall mean and refer to those persons entitled to membership in the Council of Co-Owners as provided in the Declaration.

Section 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any unit which is a part of the Properties, including contract sellers but excluding those who have such interest merely as security for the performance of an obligation.

Section 8. "Property" shall mean and refer to that certain real property described in the Declaration of Condominium and Declaration of Covenants, Conditions, Restrictions and Easements for Kierland Greens Condominium.

### ARTICLE III.

#### MEETINGS OF MEMBERS

Section 1. ANNUAL MEETING. The Annual Meeting of the members of the Council of Co-Owners shall be on the last Saturday of January at a time and place within Maricopa County, Arizona, as set by the Board of Directors.

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 membership.

Section 3. NOTICE OF MEETING. 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 fifteen (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 Council of Co-Owners, or supplied by such member to the Council of Co-Owners for the purpose of this 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 a meeting of members entitled to cast in person or by absentee ballot, one tenth (1/10) of the 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 represented.

Section 5. ABSENTEE BALLOTS. At all meetings of members, each member may vote in person or by absentee ballot. Absentee ballots shall be counted included when determining a quorum.

### ARTICLE IV.

#### BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

Section 1. NUMBER. The affairs of this Council of Co-Owners shall be managed by a Board of seven (7) members of the Council of Co-Owners.

Section 2. TERM OF OFFICE. Directors elected at an annual meeting shall immediately upon election take office and serve until a successor is elected at the second annual meeting following the annual meeting of their election. Three directors are to be elected at annual meetings in even numbered years and four directors elected at annual meetings in odd numbered years.

Section 3. REMOVAL. Deleted, November 1, 2006.

Section 4. COMPENSATION. No director shall receive compensation for any service he may render to the Council of Co-Owners. However any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. MEETINGS. All meetings of the Council of Co-Owners and the Board of Directors are open to all Members of the Council of Co-Owners and all Members so desiring shall be permitted to attend and listen to the deliberations and proceedings; provided, however, that for the regular and special meetings of the Board, Members who are not directors may not participate in any deliberation or discussion unless expressly so authorized by a vote of a majority of a quorum of the Board, except that any portion of a meeting may be closed only if the portion of the meeting is limited to consideration of any of the following: (i) employment or personnel matters for employees of the Board or Council of Co-Owners; (ii) legal advice from an attorney for the Board or the Council of Co-Owners; pending or contemplated litigation; or (iii) pending or contemplated matters relating to the enforcement of the Council of Co-Owner's Declaration or rules.

Section 6. 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 the 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 a 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 Council of Co-Owners. The Nominating Committee shall be appointed by the Board of Directors prior to each 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 it's 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 written ballot. At such election the members present or by absentee ballot 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 declared elected.

## ARTICLE VI.

### MEETINGS OF DIRECTORS

Section 1. REGULAR MEETINGS Regular meetings of the Board of Directors shall be held regularly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. The Board may reschedule Board meetings to accommodate directors scheduling conflicts. Board members may vote by telephone in Board meetings they are unable to attend but wish to vote on an issue. The telephone vote does not count as attendance at a meeting.

Section 2. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be held when called by the President of the Council of Co-Owners, or by any two Directors, after not less than three 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 the power to:

(a). adopt and publish rules and regulations governing the use of the Kierland Greens Common Elements and the 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 the payment of any assessment levied by the Council of Co-Owners. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules and regulations.

(c) exercise for the Council of Co-Owners all powers, duties and authority vested in or delegated to this Council of Co-Owners 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 other such employees as they deem necessary, and to prescribe their duties;

(f) administer disbursements from the working capital funds collected at the time of sale of the unit as provided for in the Declaration.

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 members who are entitled to vote.

(b) supervise all officers, agents and employees of this Council of Co-Owners, 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 unit at least thirty (30) days in advance of each 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 (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) 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 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 Council of Co-Owners.

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem necessary.

(g) cause the Kierland Greens Common Elements and any additional areas to be maintained.

## ARTICLE VIII.

### OFFICERS AND THEIR DUTIES

SECTION 1. ENMUMERATION OF OFFICES. The officers of this Council of Co-Owners 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 Council of Co-Owners 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 disqualified to serve.

SECTION 4. SPECIAL APPOINTMENTS. The Board may elect such other officers as the affairs of the Council of Co-Owners may require, each of which shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, prescribe.

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 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.

SECTION 6. 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.

SECTION 7. MULTIPLE OFFICES. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of 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:

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

(b) VICE-PRESIDENT. 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.

(c) SECRETARY. The secretary or his Board authorized representative shall: record the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Council of Co-Owners 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 Council of Co-Owners together with their addresses, and shall perform such other duties as required by the Board.

(d) TREASURER. The treasurer or his Board authorized representative shall: receive and deposit in appropriate bank accounts all monies of the Council of Co-Owners and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Council of Co-Owners; keep proper books of account; cause a compilation, review or financial audit of the Council of Co-Owners books to be made at the completion of each fiscal year; and shall prepare an annual budget to the membership at its regular annual meeting, and deliver a copy of each to the members.

#### ARTICLE IX.

#### COMMITTEES

The Council of Co-Owners may appoint a Design Review Committee, as provided in the Declaration, and shall appoint 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.

#### ARTICLE X.

#### BOOKS AND RECORDS

The books, records and papers of the Council of Co-Owners shall at all times, during reasonable business hours, be subject to inspection by any member or his authorized agent. Books and records kept by or on behalf of the Council of Co-Owners and the Board may be withheld from disclosure to the extent that the portion withheld relates to: (i) personnel matters or a person's medical records; (ii) communication between the Board and attorney for the Council of Co-Owners; (iii) pending or contemplated litigation; (iv) pending or contemplated matters relating to enforcement of the Council of Co-Owners Declaration or rules; (v) meeting minutes or other records of a session of a Board meeting or the Council of Co-Owners meeting that is not required to be open to all members under applicable law. The Declaration, the Articles of Incorporation and the Bylaws of the Council of Co-Owners shall be available for inspection by any Member at the principal office of the Council of Co-Owners, where copies 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 Council of Co-Owners 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. If the assessment is not paid when due, the assessment shall bear interest from the date of delinquency at the greater of (a) twelve percent (12%) per annum, or (b) the prevailing rate for single family residential loans which are required by VA or FHA. And the Council of Co-Owners may bring action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of the assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Kierland Greens Common Elements or abandonment of his unit. Any assessments imposed by the Council of Co-Owners are separate from and in addition to assessments levied by the Kierland Greens Council of Co-Owners.

## ARTICLE XII.

Deleted 11/1/06.

## ARTICLE XIII.

### CORPORATE SEAL

The Council of Co-Owners may have a seal in circular form having within its circumference the words Kierland Greens Council of Co-Owners Incorporated Arizona 1997.

## ARTICLE XIV.

### AMENDMENTS

These By-Laws may be amended at a regular or special meeting of the members by a vote of a majority of a quorum of members present in person or by absentee ballot.

## ARTICLE XV.

### MISCELLANEOUS

The fiscal year of the Council of Co-Owners shall begin on the first day of January and end on the 31<sup>st</sup>. day of December of every year, except that the first fiscal year shall begin on the date of incorporation.