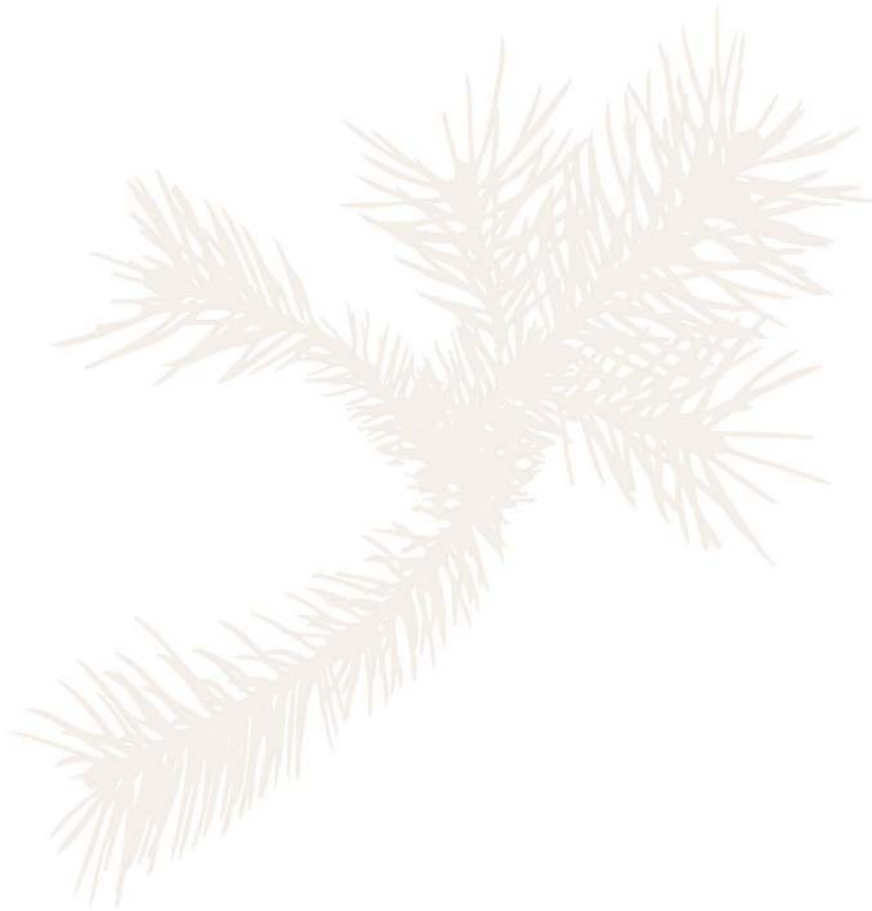


# *Bylaws*



PC VILLAGE ASSOCIATION, INC.

ARTICLE 1  
GENERAL

*APPLICATION OF DECLARATION*

1. These Bylaws are the Bylaws of PC Village Association, Inc. (the "Association"), an Arizona nonprofit corporation formed pursuant to that certain "Declaration of Covenants, Conditions and Restrictions" for the master-planned community known as Pine Canyon in Flagstaff, Arizona, as amended from time to time, recorded in the records of the County Recorder of Coconino County, Arizona, on November 22, 2002 as Instrument No. 3171314 (the "Declaration").

*DEFINED TERMS*

2. Unless otherwise defined herein, capitalized terms or phrases used herein shall have the meanings given those terms or phrases in the Declaration or the Articles.

*NONPROFIT CORPORATION*

3. The Association is an Arizona nonprofit corporation, and I organized and existing under and by virtue of the laws of the State of Arizona. The office of the Association shall be located at 1121 West Warner Road, Suite 109, Tempe, Arizona 85284, but meetings of the Members and the Board may be held at such places within Maricopa County, Arizona, as may be designated by the Board.

ARTICLE II  
MEMBERSHIP; MEETINGS

*MEMBERSHIP*

1. The Members of the Association and their voting rights shall be as provided in the Declaration. It is hereby acknowledged that the Declaration may be amended from time to time to change the qualifications and requirements of the members and their voting rights.

*LOCATION OF MEETINGS*

2. Meetings of the Member shall be held at such place as may be designated by the Board and stated in the notice of meeting.

### *ANNUAL MEETING*

3. An annual meeting of Members shall be held during the month of April of each year for the purpose of electing the Board and transacting other business authorized to be transacted by the Members.

### *SPECIAL MEETINGS*

4. Special meeting of the Members may be called by the president, the Board or any Member for any purpose or purposes. Any Member may participate in any regular or special meeting by means of a conference telephone or similar communications equipment whereby all of the Members participating in the meeting can hear one another. Participation by means of a conference telephone or similar communications equipment shall constitute attendance in person.

### *NOTICES AND QUORUMS*

5. Unless otherwise provided in the Declaration, written notice of any annual or special meeting shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting and shall specify the time and place of the meeting. Any notice of a special meeting shall also specify the purpose for which it is called. Unless otherwise provided in the Declaration, at any meeting the presence of a Majority of the Members in person or by proxy shall constitute a quorum. If the required quorum is not present, a Majority of those present may adjourn the meeting from time to time. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice. Unless the vote of a greater number is required by the Declaration, the Articles, the Bylaws or applicable law, the affirmative vote of a majority of the Members shall be binding as the act of the Members. Written notice of each meeting shall be given by, or at the direction of, the Secretary or person authorized to call the meeting. Notice shall be given by mailing a copy of the notice, postage prepaid, to each Member entitled to vote at the meeting, addressed to the Member at the address last appearing on the books of the Association or supplied by the Member for the purpose of the notice.

### *PROXIES*

6. At all meetings of Members, each member entitled to vote may vote in person or by proxy. All proxies must be in writing and must be filed with the Secretary before or at the time of the meeting. The Board may, from
7. time to time, specify a specific form or proxy to be used in connection with a particular meeting. Every proxy shall be revocable and shall automatically terminate (a) as of the date the Member giving the proxy cease to be a Member,

or (b) eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Memberships held by a legal personal representative or by a court-appointed receiver may be voted, in person or by proxy, by the representative or receiver without the transfer (except as required under a valid voting trust agreement) of membership into the name of the trustee or receiver.

#### *INFORMAL ACTION*

8. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action taken, is signed by the greater of (a) the percentage required under Arizona law, or (b) the percentage required under the Declaration, the Articles or these Bylaws.

#### *IRREGULARITIES*

9. All information and/or irregularities in calls, notices of meetings and in the manner of voting, form of proxies, credentials and method of ascertaining those present, shall be deemed waived if no objection is made at the meeting or if waived in writing.

#### *RECORD DATE*

10. For the purpose of determining Members entitle to notice of (or vote at) any meeting of members, or in order to make a determination of Member for any other purpose, the Board may direct the membership books to be closed for a stated period, not to exceed fifteen (15) days prior to the event concerned.

### ARTICLE III BOARD OF DIRECTORS

#### *NUMBER AND TERM OF OFFICE*

1. The Board of Directors shall consist of not less than one (1) nor more than seven (7) individuals. The qualifications of the members of the board of Directors shall be as provided in the Declaration. Until the Transition Date, Developer shall have the absolute power and right to appoint and remove the members of the Board. The initial Board of Directors shall consist of three (3) individuals as described in the Articles. At the first annual meeting, the Members shall appoint one (1) director for a term of three (3) years, one (1) director for a term of two (2) years and one (1) director for a term of one (1) year. At each annual meeting thereafter, the Members shall appoint or elect, as the case may be, the number of directors as is appropriate to replace those directors whose terms have expired and to maintain staggered terms for the directors for a term of three (3) years each. If the number of directors is increased above three (3), the additional directors shall be elected to serve such

terms so that, to the extent possible, a proportionate number of directors are serving in staggered terms.

#### *POWERS AND DUTIES*

2. The Board shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not prohibited by law or otherwise directed to be exercised and done by the Members. The powers of the Board shall include, but not be limited to, all of the rights, powers, privileges, duties and obligations assigned to the board in the Declaration, the Articles and these Bylaws.

#### *ORGANIZATIONAL MEETING*

3. The organizational meeting of the Board and annual meeting thereafter shall be held at such place and at such time as shall be determined by the Board.

#### *VACANCIES; REMOVAL OF DIRECTORS*

4. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, disability or otherwise, he will cease to be a director and his place on the Board shall be deemed vacant. Vacancies on the Board shall be filled by vote of the remaining Board members. The person selected to fill any vacancy shall serve for the remainder of the unexpired term. A director may be removed from the board with or without cause in the same manner as such director was appointed or elected to the Board.

#### *DISQUALIFICATION AND RESIGNATION OF DIRECTORS*

5. Any director may resign at any time by sending written notice of resignation to the Secretary of the Association. Unless otherwise specified therein, any resignation shall take effect upon receipt by the Secretary. Except in the case of injury, illness or similar circumstances, more than three (3) consecutive absences from regular meetings or the Board by any director may be cause for immediate removal, effective as of the conclusion of the last missed meeting.

#### *REGULAR MEETINGS*

6. The board shall establish a schedule of regular meeting to be held at such time and place as the Board may designate. Notice of regular meetings shall nevertheless be given to each director personally, or by mail, telephone or facsimile, at least five (5) days prior to the day named for the meeting.

### *SPECIAL MEETINGS*

7. Special meetings of the Board may be called by the president of the Association, or by any two (2) directors, after not less than three (3) days notice to each director, given personally or by mail, telephone or facsimile. Notice shall state the time, place and purpose of the meeting. Any member of the Board may participate in any regular or special meeting of the board by means of a conference telephone or similar communications equipment whereby all members participating in the meeting can hear one another. Participation by conference telephone or similar equipment shall constitute attendance in person, unless stated otherwise in Section 8 of this Article III.

### *WAIVER NOTICE*

8. Before or at any meeting of the Board, any director may, in writing, waive the requirement of prior notice of the meeting. Waiver of notice shall be deemed equivalent to the receipt of required notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him, except when a director attends for the express purpose of objecting to lack of notice. If all the directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at the meeting.

### *QUORUM*

9. At all meetings of the Board, a majority of the 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. If there is less than a quorum present at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At any adjourned meeting, any business which might have been transacted at the original meeting may be transacted without further notice.

### *INFORMAL ACTION*

10. Any action required to be taken at a meeting of the directors, or any other action which may be taken at such meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the directors.