

ARTICLE IV

BOARD OF DIRECTORS

Section 4.01. Number and Qualifications. The affairs of the Association shall be conducted by a Board of Directors, who need not be Owners, comprised of not more than nine (9) persons, or less than three (3) persons.

Section 4.01. Election and Term of Office. Subject to the requirements of Section 4.1 of these By-Laws, the Directors shall be elected in a regular annual meeting of the Association by a vote of a majority of Owners present either in person or by proxy, constituting a quorum, for a term until the next regular annual meeting unless a longer or shorter term is authorized as hereinafter provided and shall hold office until their successors are elected and qualify. The members of the Board may succeed themselves indefinitely, but in no instance shall there be more than one (1) board member from each Dwelling Unit.

The board of Directors prior to a regular annual meeting shall appoint a nominating committee to obtain a list of names of Owners who desire to serve on the Board of Directors to be elected at the forthcoming regular annual meeting and the nominating committee shall inform the Owners that it is accepting names of persons to serve on the Board of Directors. After the nominating committee has determined which Owners are willing to serve on the Board of Directors, it shall prepare a list of such

names and submit it at the next regular annual meeting for a vote of the Owners. An Owner may be elected to the Board of Directors even though his/her name does not appear on the list prepared by the nominating committee. The nominating committee shall count and verify the ballots collected at the regular annual meetings.

Section 4.03. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of the Director by vote of the majority of the remaining Directors, even though they constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next regular annual meeting of the Association.

Section 4.04. Removal of Directors. at any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the Owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 4.05. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the whole Board shall be present.

Section 4.06. Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be

determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail or telephone at least three (3) days prior to the day set for such meetings.

Section 4.07. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) day's notice to each director, given personally, by mail or telephone, which notice shall state the date, time, place and purpose of the meetings. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors. Notwithstanding the foregoing, a majority of the Directors may waive the three (3) day notice requirement for calling a special meeting and convene a special meeting at such date, time and place as agreed upon by the majority of the Directors.

Section 4.08. Board of Director's Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting, from time to time. At any such adjourned meeting,

providing a quorum is then present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4.09. Powers and Authority of the Board. The Board of Directors shall have all the powers of an Arizona non-profit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Association's Articles of Incorporation, these By-Laws and the Declaration. The Board shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of said Articles, these By-Laws and the Declaration, and to do and perform any and all acts which may be necessary or property for or incidental to the exercise of any of the express powers of the Association. Without in any way limiting the generality of any of the foregoing provisions, the Board shall have the power and authority at any time to do the following:

A. Care, upkeep, repair and supervision of the common areas and facilities. The Board shall determine all maintenance and repair expenses on the basis of at least three (3) independent bids, whenever possible; the bids shall be submitted by reputable contractors or person in the business of performing said maintenance and repairs. The Board shall select the best bid which need not be the lowest bid and the Board's decision in this regard shall be final and conclusive.

B. collection of assessments from Owners.