

MARRIOTT RESORT HOTEL CONDOMINIUM - CAMELBACK INN

APPENDIX C

BY-LAWS OF THE CAMELBACK INN CONDOMINIUM AS LAST AMENDED October 29, 2016

I. Application of By-Laws

All present and future Owners, Mortgagees, lessees and occupants of Units and their agents, servants, and guests, and any other persons who may use the facilities of the Property in any manner are subject to the Declaration, these By-Laws and Rules and Regulations made pursuant hereto and any amendment to these By-Laws upon the same being passed and duly recorded.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws and any Rules and Regulations made pursuant hereto and the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

II. Board of Directors

The affairs of the Council of Co-Owners shall be conducted by a board of five (5) directors; provided, however, commencing with the 2003 annual meeting of the Council of Co-Owners the board shall be increased to seven (7) directors.

A. Election

At each annual meeting, subject to the provisions of Section K of Article II, the Owners shall elect directors for the forthcoming year; provided, however, the first Board of Directors elected hereunder may be elected at a special meeting duly called, said Board of Directors to serve until the first annual meeting held thereafter. At least 30 days prior to any annual meeting, the Board of Directors shall select from the Owners a Nominating Committee of not less than three members, and such Nominating Committee shall recommend to the annual meeting one nominee for each position on the Board of Directors to be filled at that particular annual meeting. No Owner serving on the Board of Directors shall be eligible to serve on the said Nominating Committee. Nominations for the Board of Directors may also be made by petition filed with the Secretary at least seven days prior to the annual meeting, which petition shall be signed by ten or more Owners and include a letter signed by the nominee(s) named therein indicating his (their) willingness to serve as a member of the Board of Directors if elected. The Petition may be signed and submitted in counterparts, all of the counterparts forming but one Petition, and in addition to the U.S. Mail and hand delivery, the Petition and the Letter may be submitted to the Secretary via facsimile, email and other similar electronic means. Members of the Board of Directors shall be Owners.

B. Term

After the election of two new Members of the Board of Directors at the 2002 annual meeting of the Council of Co-Owners the term of office of the then present five (5) directors shall be extended by one (1) year; provided, however, any director who is then serving in his second term in office shall have his term of office extended by two (2) years. Thereafter, all Board members elected each year shall serve for a four (4) year term. However, no Board member may serve for more than two (2) consecutive terms of office. The Members of the Board of Directors who are elected shall serve until their respective successors are elected, or until their death, resignation or removal.

C. Resignation and Removal

Any member of the Board of Directors may resign at any time by giving written notice to the President, Board Members and Manager, and any member may be removed from membership on the Board of Directors by an affirmative vote of Owners having 2/3 of the total voting power as determined under Appendix B of the Declaration. Whenever there shall occur a vacancy on the Board of Directors due to death, resignation, removal or any other cause, the remaining Directors shall elect a successor Director to serve until the next annual meeting of the Council of Co-Owners at which time said vacancy shall be filled for the unexpired term.

D. Compensation

The Board of Directors shall receive no compensation for their services unless expressly provided for by the Board with the approval of the Owners having 2/3 of the total voting power as determined under Appendix B of the Declaration.

E. Powers and Authority of the Board of Directors

The Board of Directors, for the benefit of the Camelback Inn Condominium and the Owners, shall enforce the provisions of the Declaration, By-Laws and Rules and Regulations governing the Property and, subject to the provisions of Article V hereof, shall acquire or arrange for and pay for out of the Common Expense Fund the following:

1. Water, sewer, garbage collection, electrical, telephone and gas and other necessary utility service for the General Common Elements (and to the extent not separately metered or charged, for the Units and Limited Common Elements);

2. A policy or policies of fire insurance, with extended coverage endorsements, for the full insurable replacement value of the Units and Common Elements, or such other fire and casualty insurance as the Board of Directors shall determine gives substantially equal or greater protection to the Owners and their Mortgagees. The limits and coverage of such policies shall be reviewed at least annually by the Board of Directors and increased in its discretion. Insurance proceeds shall be payable and applicable as provided in Sections 6 and 19 of the Declaration;

3. A policy or policies of public liability insurance insuring the Board of Directors, the Owners and the Manager against any liability to any person or persons, incident to the ownership and/or use of the Property. Such policy or policies shall be consistent with the provisions of Section 19 of the Declaration. Limits of liability under such insurance shall not be less than \$1,000,000.00 for any one or more persons injured

in any one accident, and shall not be less than \$100,000.00 for property damage for each occurrence (such limits and coverage to be reviewed at least annually by the Board of Directors and increased at its discretion). Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of any named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured;

4. Workmen's Compensation Insurance to the extent necessary to comply with any applicable laws;

5. The services of a Manager to manage its affairs as provided in Article VIII hereof, to the extent deemed advisable by the Board of Directors, as well as such other personnel as the Board of Directors shall determine shall be necessary or proper for the operation of the Common Elements, whether such personnel are employed directly by the Board of Directors or are furnished by the Manager;

6. Legal and accounting services necessary or proper in the operation of the Common Elements or the enforcement of the Declaration;

7. A fidelity bond naming the Manager and such other persons as may be designated by the Board of Directors as principals and the Owners as obligees in an amount to be determined by the Board of Directors; provided that so long as the Property is operated as a resort hotel, such fidelity bond shall be in the amount customarily carried by the management of said hotel;

8. Painting, maintenance, repair and all landscaping of the Common Elements, and such furnishings and equipment for the Common Elements as the Board of Directors shall determine are necessary and proper, and the Board of Directors shall have the exclusive right and duty to acquire the same for the Common Elements; provided, however, that the interior surfaces of each Unit shall be painted, maintained and repaired by the Owner thereof, all such maintenance to be at the sole cost and expense of that particular Owner;

9. Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board of Directors is required to secure or pay for pursuant to the terms of the Declaration or By- Laws or which in its opinion shall be necessary or proper for the operation of the Common Elements or for the enforcement of the Declaration, provided that if any such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments are provided for particular Units, the cost thereof shall be specially assessed to the Owners of such Units;

10. Maintenance and repair of any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the Common Elements or preserve the appearance and/or value of the Property, and the Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity therefor delivered by the Board of Directors to said Owner, provided that the Board of Directors shall levy a special assessment against the Condominium of such Owner for the cost of said maintenance or repair;

11. The Board of Directors shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the Common Expense Fund. This provision shall not be construed to prohibit the Board of Directors from delegating such authority to the Manager as it deems proper.

F. Additional Powers of the Board of Directors

The Board of Directors shall have the right to acquire, operate, lease, manage and otherwise trade and deal with property real and personal including Condominiums as may be necessary or convenient in the operation and management of the Property, and in accomplishing the purposes set forth in the Declaration.

G. Meetings of the Board of Directors

A majority of the Board of Directors serving shall constitute a quorum and, if a quorum is present, the decision of a majority of those present shall be the act of the Board of Directors. The Board of Directors shall annually elect all of the officers of the Council of Co-Owners as set forth in Article IV of these By-Laws. The officers shall be elected at a meeting of the Board of Directors to be called immediately following the annual meeting of the Council of Co-Owners.

H. Special Meetings

Special meetings of the Board of Directors may be called by or with the request of the President or by any two Board members. Such meetings may be held either within or without the State of Arizona.

I. Notice of Meetings

Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of Directors, shall at least ten days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called; if an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

J. Waiver of Notice

Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except where a Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

K. MCDC Performs Functions

Until a date five years from the recording of the Declaration or until all Condominiums have been sold, whichever occurs first, the rights, duties and functions of the Board of Directors shall at MCDC's option be exercised by MCDC. MCDC shall have the option at any time after the date of the recording of the Declaration to turn over to the

Council of Co-Owners the responsibility of electing all of the members of the Board of Directors.

L. Notice of Election

After the first election of the Board of Directors, MCDC shall execute, acknowledge and record an affidavit stating the names of all of the members of the Board of Directors. Thereafter, any two persons who are designated of record as being members of the most recent Board of Directors (regardless of whether or not they shall still be members) may execute, acknowledge and record an affidavit stating the names of all of the members of the then current Board of Directors; provided, that, in the event of the disability or other incapacity of two such persons, Manager shall be empowered to execute the aforesaid affidavit. The most recently recorded of such affidavits shall be prima facie evidence that the persons named therein are all of the incumbent members of the Board of Directors and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

M. Fiscal Year

The fiscal year shall be as determined by the Board of Directors.

III. Meeting of the Council of Co-Owners

The presence in person or by proxy at any meeting of the Council of Co-Owners of Owners holding ten percent (10%) of the total voting power (as determined under Appendix B of the Declaration), in response to notice to all Owners of record properly given in accordance with Section 10 of the Declaration, shall constitute a quorum. In the event that the total number of Owners present do not hold at least ten percent (10%) of the total voting power, the meeting shall be adjourned for 24 hours, at which time it shall reconvene and any number of Owners present at such subsequent meeting shall constitute a quorum. Unless otherwise expressly provided in the Declaration, any action may be taken at any meeting of the Council of Co-Owners upon the affirmative vote of a majority of the voting power of the Owners present and voting provided that a quorum is present as provided for above.

A. Annual Meeting

There shall be a meeting of the Council of Co-Owners on the third Saturday of October of each year at 9:00 a.m. at Camelback Inn or at such other reasonable place or time (not more than 60 days before or after such date) as may be designated by written notice of the Board of Directors delivered to the Owners not less than 15 days prior to the date fixed for said meeting. At or prior to such meeting, the Board of Directors shall furnish to the Owners a budget for the current fiscal year that shall itemize the estimated Common Expenses, itemizing receipts and disbursements, for the preceding fiscal year, together with the allocation thereof to each Owner.

B. Special Meeting

Special meetings of the Council of Co-Owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Owners, or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by a majority of the Board of Directors, or by the

Owners holding 1/3 of the total voting power (as determined under Appendix B of the Declaration), such notice to be given by any usual means of communication to the Owners not less than 15 days prior to the date fixed for said meeting. Said notices shall specify the date, time and place for the meeting, and the matters to be considered thereat.

IV. Officers of Council

The officers of the Council of Co-Owners shall be a President, Vice President, Secretary, and Treasurer. The offices of Secretary and Treasurer may, by direction of the Board of Directors, be combined as one office. All officers must be a member of the Board of Directors. No officer shall receive compensation for serving as such. Officers shall be annually elected by, and may be removed and replaced by, the Board of Directors. The Board of Directors may in its discretion require that officers be subject to fidelity bond coverage.

V. Maintenance, Repair and Replacement of Common Elements

It shall be the responsibility of the Board of Directors to determine questions relating to the maintenance, repair and replacement (by the same or equivalent kind, quality or class) of all Common Elements. Maintenance, repair and replacement shall not be deemed to include the alteration (substantial change in form), capital improvement (substantial betterment), or relocation (change of place) of, nor capital addition (increase in quantity or add on) to, Common Elements. Except for (i) the maintenance, repair and replacement contemplated by the preceding sentences, (ii) reconstruction for casualty damages as set forth by Section 6 of the Declaration and (iii) the new construction as set forth by Section 26 of the Declaration, there shall be no capital expenditures (fixed asset expenditures benefitting future as well as current accounting periods) for the Common Elements aggregating (totaling) in excess of \$50,000.00 in any fiscal year without first submitting the matter for consideration and approval at an annual or special meeting of the Council of Co-Owners. Notwithstanding the foregoing, the Board of Directors shall have the power to determine questions relating to capital expenditures for Common Elements without submitting the matter for approval of the Owners if, in the Board of Directors' reasonable judgment, such action must be taken without delay in order to prevent or minimize loss from further damage or deterioration of the Common Elements and/or from the interruption of the proper and efficient operation of the Camelback Inn as a going business.

VI. Common Expenses

A. Assessments

1. Within 30 days prior to the annual meeting the Board of Directors shall estimate the net charges to be paid during the current fiscal year (including a reasonable provision for contingencies and replacements and less any expected income and any surplus from the prior fiscal year's operation). Said "Estimated Cash Requirement" shall be approved at the annual meeting and assessed monthly to the Owners pursuant to the Declaration and Appendix B thereof. MCDC will be liable for the amount of any assessment against completed Units owned by MCDC. If said estimated sum proves inadequate for any reason, including nonpayment of any Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed to the Owners in like proportion unless otherwise provided herein. Each owner shall be obligated to pay assessments made pursuant to this paragraph to

the Board of Directors on or before the first day of each month, or in such other reasonable manner as the Board of Directors shall designate.

2. The monthly payments made by Owners shall be kept in a separate account known as the Common Expense Fund, which may also include such amounts as the Board of Directors may deem proper for general working capital, for the general operating reserve, for a reserve fund for replacements and major maintenance and to make up for any deficit in the Common Expenses for any prior fiscal year.

3. The rights, duties and functions of the Board of Directors set forth in this Article shall be exercised by MCDC for the period ending 30 days after the election of the first Board of Directors hereunder.

4. All funds collected hereunder shall be expended for the purposes designated in the Declaration or By-Laws.

5. The omission by the Board of Directors before the expiration of any fiscal year to fix the Estimated Cash Requirement hereunder for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of the Declaration or a release of the Owner from the obligation to pay the assessments or any installment thereof for that or any subsequent year, but the Estimated Cash Requirement fixed for the preceding year shall continue until a new requirement is fixed. Amendments to this Article VI shall be effective only upon unanimous written consent of the Owners and their Mortgagees. No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit.

6. The Manager or Board of Directors shall keep detailed, accurate records of the receipts and expenditures affecting the Common Elements specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by any Owner at convenient hours of week days.

7. During the development of the Camelback Inn Condominium, the Common Expense assessment attributable to any Units scheduled for demolition shall abate as of the date said Units are taken out of service by MCDC. During any period in which due to such demolition there are less than 283 Units in existence, MCDC shall in respect of such demolished Units contribute to the Common Expense Fund that amount which is reasonably necessary to prevent the Common Expense assessments against other Owners from increasing by reason of such demolition. In determining the amount which is reasonably necessary for the aforesaid purpose, the reduction in the aggregate Common Expenses resulting from such demolition shall be taken into account. As soon as new Units are completed and placed in service, the Board of Directors shall compute the fair share of current Common Expenses attributable to those Units and assess the same to the Owners thereof.

B. Default in Payment of Assessments

Each assessment (including all monthly installments under Article VI-A-1) and each special assessment shall be separate, distinct and personal debts and obligations of the Owner against whom the same are assessed at the time the assessments are made and shall be collectible as such. The Board of Directors shall have the right to impose a reasonable late charge for nonpayment of Common Expense payments within 15 days of

the date such payments became due. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing the same. The amount of any assessment, whether regular or special, assessed to the Owner of any Condominium plus interest at the highest legal rate permitted by Arizona law and costs, including reasonable attorneys' fees, shall become a lien upon such Condominium upon recordation of a notice of assessment by the Board of Directors. The said lien for nonpayment of Common Expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

1. Tax and special assessment liens on the Condominium in favor of any taxing authority, and
2. All sums unpaid on a first Mortgage of record on the Condominium.

A certificate executed and acknowledged by a majority of the Board of Directors stating the indebtedness secured by the lien provided for under this Section B upon any Condominium shall be conclusive upon the Board of Directors and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or any encumbrancer or perspective encumbrancer of a Condominium upon request at a reasonable fee, not to exceed \$10. Unless the request for a certificate of indebtedness shall be complied with within ten days, all unpaid Common Expenses which became due prior to the date of the making of such request shall be subordinate to the lien held by the person making the request. Any encumbrancer holding a lien on a Condominium may pay any unpaid Common Expenses payable with respect to such Condominium and upon such payment such encumbrancer shall have a lien on such Condominium for the amounts paid of the same rank as the lien of his encumbrance.

Upon payment or other satisfaction of a delinquent assessment concerning which such a certificate has been so recorded, the Board of Directors shall cause to be recorded in the same manner as the certificate of indebtedness a further certificate stating the satisfaction and the release of the lien thereof. Such lien for nonpayment of assessment may be enforced by sale by the Board of Directors or by a bank or trust company or title insurance company authorized by the Board of Directors, such sale to be conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any manner permitted by law. In any foreclosure or sale, the Owner shall be required to pay the costs and expenses of such proceedings and reasonable attorneys' fees.

In case of foreclosure, the Owner shall be required to pay a reasonable rental for the Condominium and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Board of Directors or the Manager acting on its behalf shall have the power to buy in the Condominium at foreclosure or other sale and to hold, lease, mortgage and convey the Condominium.

VII. Abatement and Enjoinment of Violations by Unit Owners

The violation of any Rules or Regulations adopted by the Board of Directors or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these By-Laws:

A. to enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or

B. to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

VIII. Manager

MCDC or any successor Board of Directors may delegate any of its duties, powers or functions (including but not limited to the authority to give the certificate provided for in Article VI-B hereof and the authority to give the subordination agreements provided for in Section 11 of the Declaration) for such period of time and pursuant to such terms and conditions as either deems advisable to any person or firm designated to act as Manager of the project. Any such delegation which extends beyond the term of office of the delegator shall be binding upon successor Boards of Directors. Neither MCDC nor the members of the Board of Directors shall be liable for any omission or improper exercise by the Manager of any of such duties, powers or functions so delegated by written instrument executed by MCDC or a majority of the Board of Directors, as the case may be.

IX. Special Committees

The Board of Directors by resolution may designate one or more special committees, each committee to consist of two or more Co-Owners, which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such Special Committee or Committees shall have such name or names as may be determined from time to time by the Board of Directors. Such Special Committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required. The members of such Special Committee or Committees designated shall be appointed by the Board of Directors. The Board of Directors may appoint Owners to fill vacancies on any of said Special Committees occasioned by death, resignation, removal or inability to act for any extended period of time.

X. Rules and Regulations

The Board of Directors shall have the right to adopt and amend such Rules and Regulations as may be authorized by the Condominium Act and Declaration for the purpose of governing the details of the operation and use of the General Common Elements and setting forth restrictions on, and requirements respecting the use and maintenance of, Units and Limited Common Elements. Copies of the Rules and Regulations shall be furnished to each Owner prior to the time the same shall become effective.

XI. Audit

Any Owner may at any reasonable time at his own expense cause an audit or inspection to be made of the books of account of the Manager or Board of Directors pertaining to the Property. The Board of Directors, as a Common Expense, shall obtain

an annual certified audit of the books of account pertaining to the Property and furnish copies thereof to the Owners.

XII. Terms

The terms used herein shall have the same meanings as provided in the Declaration.

XIII. Amendment of By-Laws

These By-Laws may be amended at a meeting of the Council of Co-Owners by the affirmative vote of Owners holding at least 75% of the total voting power (as determined under Appendix B of the Declaration) which amendment shall be effective upon recordation with the Recorder of Maricopa County, Arizona; provided, however, that any amendment which will alter or prohibit the operation of the Property as a resort hotel shall require the approval of all record Owners.

The President, or any other Officer, of the Condominium Association may execute and cause to be recorded amendments to the By-Laws.

XIV. Interpretation

The provisions of these By-Laws shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium property. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

XV. Severability

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity of unenforceability of any other provision hereof.

XVI. Captions

The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

VII. Effective Date

These By-Laws shall take effect upon recording of the Declaration of which they are a part.

XVIII. Mailings

Notwithstanding anything set forth elsewhere in these By-Laws to the contrary, electronic delivery, including electronic mail and other electronic communications, may be utilized by the Council of Co-Owners and its Board of Directors and Committees for the transmittal of Council documents, notices, proxies, mailings and other communications unless such forms are expressly prohibited by applicable law.