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February 28, 2008

Mr. Walter Stromme
5809 E. Lockwood St.
Mesa, Arizona 85215

Re: Proposed Amendments to Bylaws

Dear Mr. Stromme:

This firm represents Apache Wells Homeowners Association. Recently, the association forwarded to us numerous proposed bylaw amendments, including those submitted to it by SAW. Some of the proposed amendments, including those submitted by SAW, did not comply with the procedural requirements of Article XIII of the Bylaws. More importantly, however, the proposed amendments submitted by SAW violate Arizona law and/or the community's documents. For example, proposed Article V, Section 5, Powers and Duties, Paragraph A(5), proposed Article V, Section 5, Paragraph B(2), proposed Article X, Section 2, Paragraph C, General Assessment (1) all attempt to place decisions to be made by the board in the hands of the members. This clearly violates Arizona law (A.R.S. §10-2011) and Article V, Section 1 of the Bylaws.

Proposed Article X, Section 3, Reserve Funds also violates the community documents. Limiting the reserve fund is a function of the board, not the members, for reasons stated hereinabove. Thus, with the exception of proposed amendment to Article XIII, Section 1(C), none of the SAW proposed bylaws can be submitted to the membership for vote. Please feel free to contact a director of the board to discuss this matter should you have any questions or concerns. We invite you to re-submit proposed amendments to bylaws that do not conflict with Arizona law or the community's documents.

Sincerely,

Scott L. Potter
Eric M. Jackson
For the Firm

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