

BY-LAWS
OF
EXETER PLACE ASSOCIATION, INC.

ARTICLE I

NAME AND PLAN OF DEVELOPMENT

Section 1. Name.

The name of the Corporation is EXETER PLACE ASSOCIATION, Inc. (hereinafter referred to as the "Association"). The Principal office of the Association shall be located at 8009 Via de Ventura, Suite C-138, Scottsdale, Arizona 85258.

Section 2. Establishment of Planned Unit Development.

The Association has been formed to carry out the intent and purposes of that certain Third Amendment to Declaration of Covenants, Conditions, and Restrictions, for EXETER PLACE PLANNED UNIT DEVELOPMENT, recorded in Docket 12519, Page 233 of the office of the Maricopa County Recorder, Arizona, (which is hereafter referred to as the "Declaration"). All capitalized terms as used in these By-Laws shall have the same meaning as set forth in the Declaration. The Declaration, as it may be amended or supplemented from time to time, is incorporated herein by reference.

Section 3. By-Laws Applicability.

The provisions of these By-Laws are applicable to the Properties as that term is defined in the Declaration.

Section 4. Personal Application.

All present or future Owners, residents, tenants, or their employees, or any other person who might use the facilities of the Properties in any manner, are subject to the regulations set forth in these By-Laws, the Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions applicable to the Properties or any portion thereof, as the same may be amended from time to time as herein or therein provided. The mere acquisition or rental of any of the Lots and any improvements thereon of the Properties, or the mere act of occupancy of any of the Lots and any improvements thereon will signify that these By-Laws, the provisions of the Articles of Incorporation, and the Declaration of Covenants, Conditions and Restrictions are accepted, ratified, and will be complied with.

Section 5. Articles.

Any reference herein made to the Articles of this Association will be deemed to refer to its Articles of Incorporation and any and all amendments thereto on file with the Arizona Corporation Commission, together with any and all certificates theretofore filed by the Association with the Arizona Corporation Commission.

Section 6. Seniority.

The Articles will in all respects be considered senior and superior to the By-Laws with any inconsistency to be resolved in favor of the Articles, and with these By-Laws to be deemed automatically amended from time to time to eliminate such inconsistency which may then exist.

ARTICLE II

MEMBERSHIP

Section 1. Annual Meetings.

The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent annual meeting of the members shall be held on the same day of the same month of each year thereafter at the hour of 10:00 o'clock a.m.; said annual meetings to be held in Scottsdale Arizona at the principal office of the Association, or at such other place as may be fixed by the Board of Directors and set forth in the notice of the meeting. If the date established for any annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the next succeeding business day.

Section 2. Special Meetings.

Special meetings of the Owners may be held at such places and at such times as may be fixed by the Board of Directors whenever called in writing by the President, a majority of the Board of Directors or by the Owners holding more than twenty-five percent (25%) of the total votes entitled to be cast by all Owners.

Section 3. Notices.

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 Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, date and hour of the meeting, and, in the case of a Special Meeting, the purpose of the meeting. No call or notice of any meeting of the Owners shall be necessary if waiver of call and notice is signed by all the Owners.

Section 4. Quorum.

The presence at annual or special meetings of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10th) of the votes of each class of 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 majority of the members entitled to vote thereat may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 5. Qualification.

Membership shall be limited to every Owner. The foregoing does not include persons or entities who hold an interest merely as security for the performance of an obligation.

Section 6. Voting.

The Association shall have two (2) classes of voting member-

ship.

Class A. Class A members shall be all Owners other than the Declarant. Class A members shall be entitled to one (1) vote for each Lot owned. When more than one Person owns an interest in a Lot, each such Person shall be a member of the Association but the vote for such Lot shall be exercised as the Co-Owners themselves determine, and in no event shall more than one (1) vote be cast with respect to any Lot. The Association shall not be required to recognize the vote or written assent of any such Co-Owner except the vote or written assent of the Co-Owner designated in a writing executed by all of such Co-Owners and delivered to the Association.

Class B. The Class B Member shall be the Declarant. The Declarant shall be entitled to three (3) votes for each Lot which it owns: provided, however, the Class B Membership shall cease and be converted into Class A Membership on the happening of whichever of the following is first in time:

(a) when the total votes outstanding in the Class A Membership equal or exceed the total votes outstanding in the Class B Membership; or

(b) on the 31st day of December, 1979 or such later date as provided in the Declaration.

Section 7. Proxies.

Any Owner entitled to vote thereat may vote by proxy at any meeting of the Owners (and at any adjournment thereof) which is specified in such proxy, provided that his or her proxy is executed in writing by such Owner or his or her duly authorized attorney-in-fact, and filed with the Secretary. No proxy shall be valid after

eleven (11) months from the date of its execution, unless otherwise specifically provided therein. The burden of proving the validity of any undated, irrevocable or otherwise contested proxy at a meeting of the Owners will rest with the person seeking to exercise the same. A telegram or cablegram appearing to have been transmitted by an Owner or by his duly authorized attorney-in-fact may be accepted as a sufficiently written and executed proxy. Every proxy shall automatically cease and terminate upon conveyance by the member of his Lot.

Section 8. Irregularities.

All informalities and/or irregularities in calls, notices of meetings and in the manner of voting, credentials, and methods of ascertaining those present, shall be deemed waived if no objection is made at the meeting.

ARTICLE III

DIRECTORS

Section 1. Number.

The initial Board of Directors shall consist of three (3) members who need not be members of the Association and the initial Board shall serve until the first annual meeting of the members. At the first annual meeting of the members, the Board of Directors shall elect nine (9) Directors to manage the affairs of this Association, who need not be members of the Association.

Section 2. Term of Office.

At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of

two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

Section 3. Removal.

Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation.

No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. 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.

Section 6. Cumulative Voting.

In any election of the members of the Board, every member shall have the right to accumulate his votes and give one candidate, or divide among any number of the candidates, the number of votes equal to the total number of votes allocated to said member pursuant to the applicable provisions of the Declaration, multiplied by the number of Directors to be elected. The candidates

receiving the highest number of votes up to the number of Board members to be elected, shall be deemed elected.

Section 7. 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 Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next 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 its 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 8. Election.

Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Cumulative voting as provided for above is permitted.

Section 9. Quorum.

A quorum for the transaction of business at any meeting of the Directors shall consist of a majority of the Board of Directors then in office. 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.

Section 10. Annual and Regular Meetings.

An annual meeting of the Directors shall be held immediately after the adjournment of, and at the place of, the annual meeting of the members. Additional regular meetings of the Directors may be held without notice at regular intervals at such places and at such times as the Board of Directors may from time to time by resolution provide. Should any additional regular meeting of the Board 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.

Section 11. Special Meetings.

Special meetings of the Board of Directors shall be held at such times and places as may be designated by the Board of Directors whenever such meetings are called orally or in writing by the President or by any two (2) directors. Notices of special meetings shall be given by the Secretary to each Director, orally or in writing, at least three (3) days before the time fixed for the meeting. Such notices shall advise each Director of the time, place and general purpose of the meeting, and shall be delivered personally, or shall be given by telephone or telegram, or, if sent by mail, such three (3) days' notice shall be deemed to have been given if the notice is postmarked at least five (5) days before the date of the meeting. By unanimous consent of the Directors, special meetings of the Board may be held at any time

without call or notice, or waiver of call and notice.

Section 12. Powers.

The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. 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 Association all powers, duties and authority vested in or delegated to this Association 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 such other employees as they deem necessary, and to prescribe their duties.

Section 13. 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 Class A members who are entitled to vote;

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

(d) issue, or to 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 Association;

(f) cause all officers or employees having fiscal re-

sponsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained.

ARTICLE IV

OFFICERS

Section 1. Designation of Officers.

The Directors shall elect the officers of the Corporation at an annual meeting of the Directors; provided, however, that elections of additional officers may be held at any other meeting of the Board of Directors specifically called for such purpose. The officers of the Corporation shall consist of a President, Vice-President, Secretary and Treasurer, any two of which offices, other than President and Secretary, may be held by one person. The Board of Directors may also appoint one or more Assistant Secretaries and Assistant Treasurers, which officers shall have authority to perform such duties as may be prescribed by the Board of Directors or the President. The elected or appointed officers of the Corporation must be Owners.

Section 2. Duties of Certain Officers.

(a) President. The President shall be the chief executive of the Association. He shall preside at all meetings of the Board of Directors; shall be ex officio a member of all standing or special committees; shall have general charge of the activities of the Association; shall sign on behalf of the Association all contracts and other written instruments to be executed by the Corporation; and shall see that all resolutions of the Board are

carried into effect. He shall do and perform such other acts and duties as may be required of him by the Board of Directors, but his authority shall be subject to the control and direction of the Board of Directors at all times.

(b) Vice-President. The Vice-President, in the absence or disability of the President, shall perform the duties and exercise the powers of the President, and shall perform such other duties as the Board of Directors shall prescribe.

(c) Secretary. The Secretary shall keep a permanent and complete record of all proceedings of each meeting of the Owners and each meeting of the Board of Directors; shall give or cause to be given, when required, notice of all meetings of the Owners and/or the Board of Directors; shall keep an accurate list of all members of the Association and their addresses, and shall perform such other duties as may be prescribed by the Board of Directors or the President. An Assistant Secretary, or Executive Secretary, if appointed, shall in the event of the Secretary's absence or ~~inability to act, perform the duties and functions of the Secretary.~~
tary.

(d) Treasurer. The Treasurer shall have custody of the Association's funds and shall keep full and accurate accounts of receipts and disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Association as may be ordered by the Board, demanding proper vouchers for such dis-

bursements. He shall prepare and submit a written financial report at each annual meeting of the Owners, and shall render to the President an account of all his transactions as Treasurer and such additional reports of the financial condition of the Association as the Board may require. The Treasurer will be required to furnish a surety or fidelity bond in an amount determined by the Board, the premium of which shall be paid by the Association. An Assistant Treasurer, if appointed, shall, in the event of the Treasurer's absence or inability to act, perform the duties and functions of Treasurer.

Section 3. Other Employees.

The Board of Directors may engage the services of such other employees, including but not limited to an Executive Secretary and/or Manager, as may from time to time be deemed necessary or advisable for the objects and purposes of the Association.

Section 4. Removal of Officers; Vacancies.

All officers, agents and employees shall be subject to removal at any time by the affirmative vote of the majority of the members of the Board of Directors then in office. Any vacancy caused by removal, resignation, death or for any other reason whatsoever may be filled by the Board of Directors as the Board may deem appropriate.

Section 5. Committees.

The Association shall appoint an Architectural Control Committee, as provided for in the Declaration, and a Nominating Committee, as provided for in these By-Laws. In addition, the

Board of Directors shall from time to time appoint other committees as deemed appropriate in carrying out its purpose.

Section 6. Compensation.

The President, Vice-President, Secretary and Treasurer shall not receive any compensation for their services rendered to the Association as such officers. However, such officers may be reimbursed for their actual expenses incurred in the performance of their duties. The Board of Directors may fix and pay such compensation for other officers or employees of the Association as the Board deems proper.

Section 7. Fidelity Bonds.

The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate Fidelity Bonds as determined by the Board of Directors. The premiums on any such bonds shall be paid by the Association.

ARTICLE V.

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association 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 within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of

seven percent (7%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waiver or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE VI
FISCAL MANAGEMENT

Section 1. Fiscal Year.

The fiscal year of the Association shall be January 1 through December 31. The commencement date of the fiscal year herein established shall be subject to change by the Board should corporate practice subsequently dictate.

Section 2. Books of Account.

Books of account of the Association shall be kept under the direction of the Secretary-Treasurer on a consistent basis in accordance with good accounting practices.

Section 3. Contracts.

Unless otherwise provided by the Board, all contracts shall be executed on behalf of the Association by either the President or Vice-President and countersigned by either the Secretary or the Assistant Secretary.

Section 4. Independent Audit.

Within sixty (60) days of the close of each fiscal year, the Board shall cause an independent audit of the accounts of the

Association by certified public accountants, and upon completion of said audit, shall cause to be prepared and delivered to each Lot Owner within thirty (30) days after its completion, a true and exact copy thereof.

Section 5. Access.

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association, and the Rules and Regulations of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE VII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words EXETER PLACE ASSOCIATION, INC.

ARTICLE VIII

AMENDMENTS

Section 1.

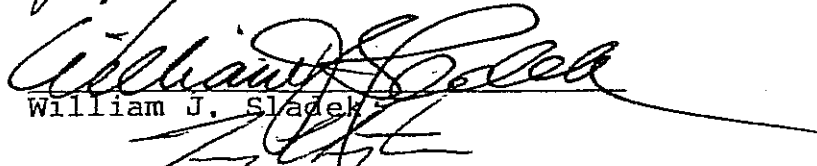
These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2.

In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.


IN WITNESS WHEREOF, we, being all of the Directors of EXETER PLACE ASSOCIATION, INC., have hereunto set our hands this

fifteenth day of February, 1980.



William J. Sladek

Terry W. Clayton



John W. Weideman

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the
EXETER PLACE ASSOCIATION, INC., an Arizona Corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws
of said Association, as duly adopted at a meeting of the Board of
Directors thereof, held on the fifteenth day of February,
1980.

IN WITNESS WHEREOF, I have hereunto subscribed my name
and affixed the seal of said Association this fifteenth day of
February, 1980.

John W. Weideman
John W. Weideman, Secretary