

BY-LAWS
OF
HAYWARD PLACE ASSOCIATION

ARTICLE I: NAME AND LOCATION

1. The name of the corporation is HAYWARD PLACE ASSOCIATION, hereinafter referred to as the “Association”. The principal office of the Association shall be located at 1822 West Glendale Avenue, Suite 404, Phoenix, Arizona 85021.

ARTICLE II: DEFINITIONS

1. Unless otherwise defined herein all terms used herein shall have the same meaning and definition as given in the Declaration of Covenants, Conditions and Restrictions of HAYWARD PLACE ASSOCIATION, (hereinafter “Declaration”), or in the Articles of Incorporation.

2. “Member” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

ARTICLE III: POWERS OF THE ASSOCIATION

1. The Association shall have the power to:

(a) act as the management body for the operation, maintenance, preservation and architectural control of the members Lots and Common Areas of the Association. The Association is subject to the limitations of the Declaration and the Articles of Incorporation;

(b) exercise all the rights, powers and privileges and perform all of the duties and obligations as set forth in the Declaration, which is recorded in the Office of the Recorder of Maricopa County, Arizona and may be amended from time to time.

(c) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses incident to the conduct of the business of the Association, including all licenses, taxes for governmental charges levied or imposed against the property of the Association;

(d) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(e) borrow money, and with the assent of two-thirds (2/3) of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(f) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purpose and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the members, agreeing to such dedication, sale or transfer;

(g) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of the members;

(h) have and exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Arizona by law may now or hereafter have or exercise, including conducting any or all lawful affairs for which corporations may be incorporated under Chapter 2, Title 10, Arizona Revised Statutes.

ARTICLE IV: MEETING OF MEMBERS

1. Annual Meeting: The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 o'clock, p.m. If the day for the annual meeting is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

2. Special Meeting: Special meetings of the members may be called at any time by the president, the Board of Directors, or upon one month prior written request of at least one-fourth (1/4) of the members entitled to vote.

3. Notice of Meetings: Written notice of each meeting of the members shall be given by, or at the direction of the secretary, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to a 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 time, date and place for the meeting, and in the case of a special meeting the nature of business to be transacted.

4. Place of Meeting: All meetings of the members shall be held at a designated location in Phoenix, Arizona. Such place is to be designated in the notice of meeting agreed upon by the majority of the Board of Directors.

5. Quorum: The presence at the meeting of members entitled to cast, or of proxies to cast, one-tenth (1/10) of the votes 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 members entitled to vote shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

6. Proxies: At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot. All proxies shall be cast only by a member who is entitled to vote.

7. Informal Action: Any action that may be taken at a regular or special meeting of the members may be taken without a meeting if the following requirements are met:

(a) A written ballot, approved by the Board of Directors, is distributed to every member entitled to a vote, setting forth each proposed action, providing an opportunity to signify approval or disapproval of each proposal and specifying a reasonable time for the members to return the ballot to the Association.

(b) The number of votes cast by the ballots within the specified time period equals or exceeds the quorum required to be present at a meeting authorizing the actions.

(c) The number of approvals of the action equals or exceeds the number of votes required to approve the action at a meeting.

ARTICLE V: VOTING RIGHTS

1. Voting member: Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, but the foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

2. Number of Votes: All Owners shall be Members and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

ARTICLE VI: BOARD OF DIRECTORS

1. Number: The affairs of the Association shall be managed by a Board of three (3) directors, who are to be members of the Association.

2. Term of Office: At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years. At each annual meeting thereafter the members shall elect one director for a term of three years.

3. Nominations: Nominations for election to the Board of Directors shall be made by a Nominated Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be any member of the Board of Directors, and two or more members of the Association appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such 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. All nominations are to be made among members of the Association.

4. Election: Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may be cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted, unless required by law.

5. Removal: The entire Board of Directors or any individual 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.

6. 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, as approved by the Board of Directors.

ARTICLE VII: MEETINGS OF DIRECTORS

1. Regular Meetings: Regular meetings of the Board of Directors shall be held monthly, with given notice, at a place and hour, as agreed upon by the majority of the Board.

2. Special Meetings: Special meetings of the Board of Directors shall be held when called by the president, or by any two Directors, if three days notice has been given to each director.

3. Open Meetings: Regular and special meetings of the Board of Directors shall be open to all members of the Association eligible to vote, provided that the members who are not Directors may not participate in any deliberation or discussion unless

expressly authorized by the Board of Directors. Any member who disrupts or otherwise interferes with the orderly meeting of the Board of Directors may be removed from such meeting. The Board of Directors, with a quorum of the Board, may adjourn a meeting and reconvene in executive private session to discuss and vote upon personnel matters and any litigation to which the Association is a party to may become a party, and orders of business of a similar confidential nature. The general nature of any and all business to be conducted in private executive session shall first be announced in open session.

4. Quorum: A majority of the number of 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.

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 directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VIII: POWERS AND DUTIES OF THE BOARD OF DIRECTORS

1. The Board of Directors shall have the power to:

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

(b) suspend the members' voting rights and the members, members family, guests or tenants right to the use of the Common Areas during any period in which a member is in default of a payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing by the Board of Directors for any infraction of published rules and regulations of the Association;

(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 the By-laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board to be vacant in the event that such member is absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) to employ a manager, independent contractors, accountants, lawyers, and such other employees as they deem necessary, and to prescribe their duties.

2. It shall be the duty of the Board of Directors:

(a) cause to be kept a complete record of all its acts in corporate affairs and to present a statement thereof to the members at each annual meeting or at any special meeting when such a statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(b) to 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) to 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 bring an action at law against the member personally obligated to pay such assessment.

(d) issue, or cause the appropriate officer to issue, upon request by any member, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be established 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 fire, liability and other hazard insurance with respect to the Property and cause that portion of each assessment attributable to such insurance to be placed in a separate bank account to be used for the payment of premiums;

(f) to cause all officers and employees having fiscal responsibilities to be bonded as the Board may deem appropriate;

(g) cause the Common Areas to be maintained;

(h) enforce the Declaration;

(i) to pay any taxes which may become a lien upon the entire property or Common Areas and to pay and discharge any lien or encumbrances levied against the entire property or Common Areas.

ARTICLE IX: OFFICERS

1. Positions: The officers of this Association shall be a president and vice-president, secretary, treasurer, and such other officers as the Board may from time to time by resolution create. The president and vice-president shall at all times be members of the Board of Directors.

2. Election of Officers: The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of members.

3. Term: The officers of this Association shall be elected annually by the Board of Directors and shall hold office for one (1) year unless removed, resigns or otherwise disqualified to serve.

4. Special Appointments: The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such a period, have such authority, and perform such duties as the Board may, from time to time, determine.

5. Resignation and Removal: Any officers may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date received or at any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective.

6. Vacancies: A vacancy in any office may be filled by an appointment of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer being replaced.

7. Multiple Offices: The offices of secretary and treasurer may be held by the same person. No member shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

8. Duties: The duties of the officers are as follows:

(a) President: The President shall be the chief executive officer of the Association and shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice-President: The vice-president shall act in the place of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary: The secretary shall record the votes and keep the minutes of all the meetings and proceedings of the Board of Directors and the members; keep the corporate seal the Association and affix it on all papers requiring the seal; serve notice of any and all meetings; keep appropriate current records of the members addresses, and perform other duties as required by the Board.

(d) Treasurer: The treasurer shall deposit in appropriate bank accounts all monies received by the Association and shall disburse funds as directed by resolution of the Board of Directors; sign all checks and promissory notes; keep proper books of all accounts; cause an annual audit of the books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be copied and presented to each member at the annual meeting.

ARTICLE X: COMMITTEES

1. The Association may appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI: RECORDS AND BOOKS

1. The Association shall maintain adequate and correct accounts, books and records of its business and properties. All such accounts, records and books shall be kept at its principal place of business in the State of Arizona, as fixed by the Board of Directors from time to time. The books shall be made available for inspection upon the written request of any member.

ARTICLE XII: ASSESSMENTS

1. 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 assessment which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) day after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property. The cost, interest and reasonable attorney's fees of any such action shall be added to the amount of delinquent assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Areas or abandonment of the Owners Lot.

ARTICLE XIII: CORPORATE SEAL

1. The Corporate Seal shall be circular in form, and shall have inscribed thereon the name of the Association, the date of incorporation and the word "Arizona". The use of the Corporate Seal shall not be required to bind the Association to any contract or to make any such contract binding against it.

ARTICLE XIV: AMENDMENTS

1. These By-Laws may be amended or repealed and new By-Laws adopted at any annual meeting of the members, or at any other meeting of the members called for that purpose, by a vote of a majority of a quorum of the members present in person or by proxy, or by the vote of a majority of a quorum of the Board.

2. Whenever an amendment or new By-Law is adopted, it shall be copied in the book of By-Laws with the original By-Laws, in the appropriate place. If any By-Law is repealed, the fact of repeal with the date of the meeting at which such repeal was enacted or written assent was filed shall be state in said book.

ARTICLE XV: MISCELLANEOUS

1. Fiscal Year: The fiscal year of the Association shall begin on the first day of January and end on the thirty-first (31st) day of December of every year, except that the initial fiscal year shall begin on the date of the filing of the Articles.

2. If any provision of these By-Laws conflicts in any way with the provisions of the Declaration or the Articles, the term or provision of the Declaration or the Article shall Control.

The undersigned hereby certifies:

That they are the duly elected and acting Board of Directors of HAYWARD PLACE ASSOCIATION, Inc., an Arizona not for profit corporation.

That the foregoing By-Laws, comprising 9 pages, constitutes the By-Laws of said corporation as duly adopted at a meeting of the Board of Directors held on the 16th day of May, 1993.

IN WITNESS WHEREOF, we the Board of Directors of the HAYWARD PLACE ASSOCIATION have hereunto set our hands this 16th day of May, 1993.

Robert D. Snair

James L. Boaldin

Edward J. Broyles