

BYLAWS
OF
ABBY LANE HOMEOWNERS ASSOCIATION

I. GENERAL PROVISIONS

1.1 Principal Office. The principal office of this corporation shall be located at the place as is designated in the Articles of Incorporation or such other place as the Association may designate from time to time in accordance with the Arizona statutes governing nonprofit corporations, but meetings of Members and directors may be held at such other place within the State of Arizona as may be designated by the Board of Directors.

1.2 Defined Terms. Capitalized terms used in these Bylaws without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions and Restrictions of Abby Lane (the "Declaration"), as amended from time to time.

1.3 Conflicting Provisions. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

1.4 Corporate Seal. The Association may have a seal in a form approved by the Board of Directors.

1.5 Designation of Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation of the Association.

1.6 Books and Records. The books, records and papers of the Association shall be available for inspection by any Member during reasonable business hours. The documents pertaining to the Project (the "Project Documents") shall be available for inspection by any Member during reasonable business hours at the principal office of the Association or at the office of its designated management agent, as the case may be, where copies may be purchased at reasonable cost.

1.7 Amendment.

1.7.1 These Bylaws may be amended, at a regular or special meeting of the Board of Directors, by a majority of the directors present at such meeting.

1.7.2 During the period of Declarant Control, the Declarant, and thereafter, the Board of Directors, may without a vote of the Members and without the consent of any First Mortgagee, amend these Bylaws in order to conform these Bylaws to the requirements or guidelines

of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant or the Board of Directors.

1.7.3 So long as the Declarant owns any Lot, any amendment to these Bylaws must be approved in writing by the Declarant.

II. MEETINGS OF MEMBERS

2.1 Annual Meeting. An annual meeting of the Members of the Association shall be held at least once every twelve (12) months at such time and place as is determined by the Board of Directors.

2.2 Special Meetings. Special meetings of the Members may be called at any time by the President, or by the Board of Directors, or upon written request signed by Members having at least one-fourth (1/4) of the total authorized votes in the Association.

2.3 Notice of Meetings. 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 each notice, postage prepaid, at least ten (10) days before such meeting to each Member entitled to vote thereon, 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, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place of the meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Association may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each Member entitled to vote at the meeting. By attending a meeting, a Member waives any right that the Member may have had to object to the meeting on the basis that the proper notice of the meeting was not given in accordance with these Bylaws or the statutes of the State of Arizona.

2.4 Quorum. Except as otherwise provided in the Articles, the Declaration or these Bylaws, the presence in person or by proxy of Members entitled to cast one-tenth (1/10th) of the total authorized votes in the Association shall constitute a quorum at all meetings of the Members. If a quorum shall not be present at any meeting, the Members entitled to vote thereat 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.

2.5 Proxies. At all meetings of the Members a vote may be cast in person or by proxy. A proxy shall be duly executed in writing by the Member. All proxies must be filed with the Secretary prior to the commencement of the meeting for which the proxy is given. The proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of a notice of revocation

signed by the Member who granted the proxy. No proxy shall be valid after eleven months from the date of its execution unless a different period is expressly provided in the proxy, provided that every proxy shall automatically cease upon conveyance by the Member of his Lot.

2.6 Voting. Except for the election of directors (which will be governed by cumulative voting pursuant to applicable law) and except as may otherwise be required by the Association's Articles, the Declaration, these Bylaws, or by statute, each Member represented at any meeting of the Members in person or by a proxy given pursuant to Section 2.5 above, will be entitled to one vote per Lot at such meeting. Unless otherwise required by the Association's Articles or by applicable law, any question submitted to the Members will be resolved by a majority of the votes cast thereon, provided that such votes constitute a majority of the quorum of that particular meeting, whether or not such quorum is then present. Voting will be by ballot on any question as to which a ballot vote is demanded prior to the time the voting begins by any person entitled to vote on such question; otherwise, a voice vote will suffice. No ballot or change of vote will be accepted after the polls have been declared closed following the ending of the announced time for voting.

When more than one person is the Owner of any Lot, all such persons shall be Members; provided, however, they shall cumulatively be entitled to only one (1) vote. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one ballot be cast with respect to any Lot. The vote for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a ballot representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Lot. In the event more than one ballot is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void. In the event any Lot is owned by a corporation, partnership or other association, the corporation, partnership or association shall be a Member and shall designate in writing at the time of acquisition of the Lot an individual who shall have the power to vote said membership, and in the absence of such designation and until such designation is made, the president or general partner of such corporation, partnership or association shall have the power to vote the membership.

2.7 Organization and Conduct of Meetings. Each meeting of the Members will be called to order and thereafter chaired by the President; or if the President is unavailable, then by such other officer of the Association or such Member as may be appointed by the Board of Directors. The Association's Secretary will act as Secretary of each meeting of the Members; in his or her absence the chairman of the meeting may appoint any person (whether a Member or not) to act as secretary for the meeting. After calling a meeting to order, the chairman thereof may require the registration of all Members intending to vote in person and the filing of all proxies with the secretary of the meeting. After the announced time for such filing of proxies has ended, no further proxies or changes, substitutions or revocations of proxies will be accepted. If directors are to be elected, a tabulation of the proxies so filed will, if any person entitled to vote in such election so requests, be announced at the meeting (or adjournment thereof) prior to the closing of the election polls. Absent a showing of bad faith on his part, the chairman of a meeting will, among other things, have absolute

authority to fix the period of time allowed for the registration of Members and the filing of proxies, to determine the order of business to be conducted at such meeting and to establish reasonable rules for expediting the business of the meeting (including any informal, or question and answer portions thereof).

2.8 Informalities and Irregularities. All informalities or irregularities in any call or notice of a meeting of the Members or in the areas of credentials, proxies, quorums, voting and similar matters, will be deemed waived if no objection is made at the meeting.

2.9 Action by Members Without a Meeting. Any action required or permitted to be taken at a meeting of the Members of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by Members holding at least a majority of the voting power or such different amount of the voting power as the Articles of Incorporation, the Bylaws or Arizona statutory law requires with respect to the subject matter of the action. Such consent shall have the same effect as the affirmative vote of the Members of the Association at a meeting duly called and noticed.

2.10 Suspension of Voting Rights. In the event any Lot Owner is in arrears in the payment of any assessment, monetary penalties or other fees and charges due under the terms of the Declaration, Articles or these Bylaws for a period of fifteen (15) days, the Lot Owner's right to vote as a member of the Association shall be automatically suspended and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current, and for a period not to exceed sixty (60) days for any infraction of the Declaration and the Project Documents.

III. BOARD OF DIRECTORS

3.1 Number. The affairs of this Association shall be managed by a board of at least three (3) directors. All directors must be Members of the Association with the exception of the Declarant or its nominees. The Board of Directors may increase the number of directors on the Board but the number of directors must always be an odd number and shall not exceed nine (9) directors. During the period of Declarant Control, the Declarant shall have the right to appoint and remove the members of the Board of Directors, who do not have to be Lot Owners. Upon the termination of the period of Declarant Control, the Lot Owners shall elect the Board of Directors, which must consist of at least three (3) members, at least the majority of whom must be Lot Owners. The Declarant may voluntarily surrender its right to appoint and remove the members of the Board of Directors before termination of the period of Declarant Control, and in that event the Declarant may require, for the duration of the period of Declarant Control, that specified actions of the Association or the Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

3.2 Term of Office. The initial members of the Board of Directors shall hold office until the first annual meeting of the Members and until their successors are elected and qualified. Commencing with the first annual meeting of the Members, all directors shall be elected for a term of one (1) year.

3.3 Removal. At any annual or special meeting of the Members duly called, any one or more of the directors may be removed from the Board of Directors, other than a director appointed by the Declarant, with or without cause by Members having more than two-thirds (2/3) of the votes entitled to be cast by the Members present in person or by proxy at the meeting, and a successor may then and there be elected to fill the vacancy thereby created.

3.4 Compensation. No director shall receive compensation for any service the director may render to the Association, provided, however, a director may be reimbursed for his actual expenses incurred in the performance of his duties.

3.5 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 consent of all the directors. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

3.6 Vacancies. Except with respect to Directors appointed by the Declarant and except for vacancies on the Board of Directors caused by the removal of a director in accordance with the provisions of Section 3.3 of these Bylaws, any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum or by a sole remaining director, and any director so chosen shall hold office until the next election of the directors when a successor is elected and qualified. Any newly created directorship shall be deemed a vacancy. When one or more directors resigns from the Board of Directors, effective at a future time, a majority of the directors then in office, including those who have so resigned, may fill such vacancy, the vote on the vacancy to take effect when such resignation becomes effective. If by reason of death, resignation or otherwise, the Association has no directors in office, any Member may call a special meeting of the Members for the purpose of electing the Board of Directors.

3.7 Meetings.

3.7.1 Regular or special meetings of the Board of Directors may be held by means of conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation at such meeting shall constitute presence in person at the meeting.

3.7.2 Regular meetings of the Board of Directors may be held with or without notice at such time and place as is determined from time to time by the Board of Directors.

3.7.3 Special meetings of the Board of Directors may be called by the President upon notice to each director, given in writing, by hand delivery, mail, telegraph or facsimile, which notice shall state the time, place and purpose of the meeting. Notice to any director of any such special meeting will be deemed given sufficiently in advance when (i) if given by mail, the same is deposited in the mail, with first class or airmail postage prepaid, at least four (4) days before the meeting date, or (ii) if personally delivered or given by telegram, the same is handed to the director, or the telegram is delivered to the telegraph office for fast transmittal, at least forty-eight (48) hours prior to the

convening of the meeting or (iii) if transmitted by facsimile, such transmission has been acknowledged as having been received by the director at least forty-eight hours prior to the convening of the meeting. 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.

3.7.4 Attendance of a director at a meeting shall constitute a waiver of notice of such meeting except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

3.8 Quorum. A majority of the 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 of Directors. In case of an equality of votes, the President will have a second or deciding vote.

3.9 Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not required by the Project Documents to be exercised or done by the Members. In addition to the duties imposed by these Bylaws or by any resolution of the Members that may hereafter be adopted, the Board of Directors shall have the following powers and duties:

3.9.1 Open bank accounts on behalf of the Association and designate the signatories thereon;

3.9.2 Make, or contract for the making, of repairs, additions to, improvements to or alterations of the Common Elements, in accordance with the Project Documents, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

3.9.3 In the exercise of its discretion, enforce by legal means the provisions of the Project Documents;

3.9.4 Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair, replacement of the Common Elements and provide services for the Members, and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;

3.9.5 Provide for the operation, care, upkeep and maintenance of all of the Common Elements and borrow money on behalf of the Association when required in connection with the operation, upkeep and maintenance for the Common Elements; provided, however, the consent of Members having at least sixty-seven percent (67%) of the total votes in the Association shall be obtained either in writing or at a meeting called and held for such purpose in accordance with the provisions of these Bylaws in order for the Association to borrow in excess of \$5,000;

3.9.6 Prepare and adopt an annual budget for the Association prior to the commencement of each fiscal year;

3.9.7 Adopt and publish rules and regulations governing the use of the Common Elements and facilities and the personal conduct of the Members and their family members, guests, lessees and invitees thereon;

3.9.8 Suspend the voting rights and the right to use of the Common Elements of a Member during any period in which such Member shall be in default in the payment of any Assessment or other amounts due under the terms of the Project Documents for a period of fifteen (15) days and for a period not to exceed sixty (60) days for any infraction of the Project Documents;

3.9.9 Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the Project Documents:

3.9.10 Declare the office of a member of the Board of Directors to be vacant in event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors:

3.9.11 Employ, hire and dismiss such employees as they deem necessary and to prescribe their duties and their compensation;

3.9.12 Cause to be kept a complete record of all its acts and corporate affairs:

3.9.13 Supervise all officers, agents and employees of the Association and see that their duties are properly performed:

3.9.14 Levy, collect and enforce the payment of assessments in accordance with the provisions of the Declaration;

3.9.15 Issue, or cause an appropriate officer to issue upon demand to any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment;

3.9.16 Procure and maintain adequate property, liability and other insurance as required by the Declaration;

3.9.17 Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

3.9.18 Cause the Common Elements to be maintained, as more fully set forth in the Declaration.

3.9.19 After notice and an opportunity to be heard, impose fines on Owners and Residents for violations of the Declaration and the Rules and Regulations of the Association, including the Rules of the Architectural Committee.

3.9.20 Subject to Article 8 of the Declaration, authorize, commence, initiate and prosecute litigation on behalf of the Association.

3.10 Manager. The Board of Directors may employ for the Association and the Project a manager at a compensation established by the Board of Directors. The Manager shall perform such duties and services as the Board of Directors shall authorize, including, but not limited to, all of the duties listed in the Project Documents except for such duties and services that under the Project Documents may not be delegated to the Manager. The Board of Directors may delegate to the Manager all of the powers granted to the Board of Directors or the officers of the Association by the Project Documents other than the power to: (i) adopt the annual budget, any amendment thereto or to levy Assessments; (ii) adopt, repeal or amend Association Rules; (iii) designate signatories on Association bank accounts; (iv) borrow money on behalf of the Association; (v) acquire real property.

3.11 Nominating Committee. 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 also 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.

3.12 Other Committees. The Board of Directors, from time to time, by resolution adopted by a majority of the full Board, may appoint other standing or temporary committees, including without limitation, an Architectural Committee as set forth in Article V, from its membership and vest such committees with such powers as the Board may include in its resolution.

IV. OFFICERS AND THEIR DUTIES

4.1 Enumeration of Officers. The principal officers of the Association shall be the President, the Vice President, the Secretary, and the Treasurer all of whom shall be elected by the Board of Directors. The President must be a member of the Board of Directors. Any other officers may, but need not, be members of the Board of Directors. During the period of Declarant Control, all officers of the Association shall be appointed and removed by the Declarant. After the termination of the period of Declarant Control, all officers shall be elected by the Board of Directors.

4.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

4.3 Term. After the termination of the period of Declarant Control, the officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

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

4.5 Resignation and Removal. Except for officers appointed by the Declarant, any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Vacancies. Except for officers appointed by the Declarant, a vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

4.7 Multiple Offices. Any two or more offices may be held simultaneously by the same person.

4.8 Powers and Duties. To the extent such powers and duties are not assigned or delegated to a Manager pursuant to Section 3.10 of these Bylaws, the powers and duties of the officers shall be as follows:

4.8.1 President. The President shall be the chief executive officer of the Association; shall preside at all meetings of the Board of Directors or the Members; shall see that orders and resolutions of the Board of Directors are carried into effect; and have general and active management of the business of the Association;

4.8.2 Vice President. The Vice President shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors;

4.8.3 Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board of Directors;

4.8.4 Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds for appropriate Association purposes as set forth in the Project Documents; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members; and, in general, perform all the duties incident to the office of Treasurer.

4.9 Officers Authorized to Execute Amendments to Declaration. Any amendments to the Declaration or the Plat which are required by the Act or the Declaration to be executed by the Association may be executed by either the President or Vice President of the Association.

V. ARCHITECTURAL COMMITTEE

5.1 Committee Composition. The Architectural Committee shall consist of at least three (3) members. None of such members shall be required to be an architect or to meet any other particular qualifications for membership. A member need not be, but may be, a member of the Board of Directors or an officer of the Association. The Board of Directors may increase the number of members on the Architectural Committee but the number of members must always be an odd number.

5.2 Terms of Office. The term of office for members of the Architectural Committee shall be a period of one (1) year, or until the appointment of a successor. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Members who have resigned, been removed or whose terms have expired may be reappointed.

5.3 Appointment and Removal. So long as the Declarant owns any Lot, the Declarant shall have the right to appoint and remove the members of the Architectural Committee. When the Declarant no longer owns any Lot, the Board of Directors shall appoint and remove all members of the Architectural Committee, except that no member may be removed from the Architectural Committee by the Board of Directors unless the removal is approved by the vote or written consent of more than fifty percent (50%) of all of the members of the Board of Directors.

5.4 Resignations. Any member of the Architectural Committee may at any time resign from the Committee by giving written notice thereof to the Board of Directors.

5.5 Vacancies. Vacancies on the Architectural Committee, however caused, shall be filled by the Declarant until the Declarant no longer owns any Lot, and thereafter by the Board of Directors. A vacancy or vacancies on the Architectural Committee shall be deemed to exist in case of the death, resignation or removal of any member.

5.6 Duties. It shall be the duty of the Architectural Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms of the Declaration, to adopt Architectural Committee Rules, to perform other duties delegated to it by the Board of Directors, and to carry out all other duties imposed upon it by the Declaration.

5.7 Meetings. The Architectural Committee shall meet from time to time as necessary to perform its duties. The vote or written consent of a majority of the members of the Committee, at a meeting or otherwise, shall constitute the act of the Committee unless the unanimous decision of the Committee is required by any other provision of the Declaration. The Committee shall keep and maintain a written record of all actions taken by it at such meeting or otherwise.

VI. MONETARY PENALTIES

6.1 Power of Board of Directors to Impose Monetary Penalties. In accordance with the procedures set forth in this Article, the Board of Directors shall have the right to impose reasonable monetary penalties against any Lot Owner for a violation of any provisions of the Project Documents by the Lot Owner, his family, tenants or guests. Any monetary penalty imposed by the Board of Directors shall be imposed only after the procedures set forth in this Article have been complied with.

6.2 Notice of Violation.

6.2.1 The Board of Directors, or any person designated by the Board, may serve a "Notice of Violation" against a Lot Owner for a violation of any provision of the Project Documents by the Lot Owner, his family, tenants or guests. A Notice of Violation shall contain (i) a description of the violation, (ii) the approximate time and place at which the violation was observed, (iii) the amount of the fine to be paid by the Lot Owner for such violation, (iv) the name of the person issuing the Notice of Violation, and (v) a statement advising the Lot Owner of the Lot Owner's right to request a hearing pursuant to Section 6.2.4 of the Bylaws.

6.2.2 A Notice of Violation shall be deemed to have been served if delivered personally to the Lot Owner named in the Notice of Violation or sent to the Lot Owner by registered or certified United States mail, return receipt requested, postage prepaid. A Notice of Violation served by mail shall be deemed to have been received by the Lot Owner to whom the notice was addressed on the earlier of the date the notice is actually received or three (3) days after the notice is deposited in the United States mail. A Notice of Violation given by mail shall be addressed to the Lot Owner at the address of the Lot Owner as shown on the records of the Association. If a Lot is owned by more than one person or entity, a Notice of Violation to one of the joint Lot Owners shall constitute notice to all of the joint Lot Owners.

6.2.3 The Lot Owner shall pay the fine set forth in the Notice of Violation to the Association within ten (10) days after the Notice of Violation is served on the Lot Owner unless prior to that time the Lot Owner requests a hearing on the violation pursuant to Section 6.2.4 of the Bylaws.


6.2.4 Any Lot Owner served with a Notice of Violation may request a hearing on the violation. The request for a hearing must be addressed to the Secretary of the Association and must be actually received by the Association within ten (10) days after the service of the Notice of Violation. Upon receipt of a request for a hearing pursuant to this Section, the President or any other officer of the Association shall schedule a hearing on the violation before the Board of Directors or before a hearing officer or a committee approved by the Board and shall notify the Lot Owner requesting the hearing of the date, time and place of the hearing. The notice of the hearing shall also advise the Lot Owner of his right to produce statements, evidence and witnesses on his behalf and to be represented at the hearing by an attorney. If the hearing on the violation is before the Board of Directors, then the minutes of the meeting of the Board at which the hearing is held shall reflect the fact that the hearing on the violation was held and the action taken by the Board on the violation. If

the hearing is held before a hearing officer or a committee appointed by the Board of Directors, then the hearing officer of the committee conducting the hearing shall, within ten (10) days after the conclusion of the hearing, make a written recommendation to the Board on what action the Board should take in the violation. Upon receipt of the recommendation from the hearing officer of the committee, the Board of Directors shall act upon the recommendation. Any fine which is affirmed by the Board following a hearing pursuant to this Section shall be paid by the offending Lot Owner within ten (10) days after a notice of the action of the Board of Directors is served upon the Lot Owner. Service of the notice from the Board of Directors shall be made in the same manner as service of a Notice of Violation pursuant to Section 6.2.2 of the Bylaws.

6.2.5 Any fines imposed pursuant to this Article 6 shall be joint and several liability of all of the Joint Owners of a Lot and shall be secured by the Assessment Lien.

CERTIFICATION

I hereby certify that the foregoing Bylaws were duly adopted by the Board of Directors of the Association on the 28th day of January, 2002.


Gara McClymont, Secretary

**ABBY LANE HOMEOWNERS ASSOCIATION
DIRECTORS' RESOLUTIONS
ADOPTED WITHOUT AN ORGANIZATIONAL MEETING**

The undersigned, being all of the Directors of Abby Lane Homeowners Association, hereby consent to and vote for the following resolutions, without an Organizational Meeting. The undersigned Directors understand that the following resolutions shall become effective when all of the Directors of the Corporation have consented in writing thereto.

RESOLVED: That the form of Bylaws attached hereto be and hereby are adopted as the Bylaws of this corporation.

RESOLVED: That the following persons be and they hereby are elected to the following offices of the corporation:

Patrick A. Barker	President
James J. Walton	Vice President and Treasurer
Gara McClymont	Secretary

RESOLVED: That the corporate seal in the form, words, and figures presented to this meeting be and the same hereby is adopted as the seal of this corporation.

RESOLVED: That this corporation hereby elects, in accordance with the provisions of Section 528 and Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, to be a tax exempt organization; and

RESOLVED: That any officer of this corporation be, and hereby is, authorized, directed and empowered on behalf of this corporation, and in its name, to execute and file with the Internal Revenue Service an appropriate election on such form, instrument or document, and amendments thereto, as shall be necessary to constitute an election by this corporation to be an exempt organization under the Internal Revenue Code of 1986, as amended, and to do or cause to be done any and all other acts and things as such officer may, in his or her discretion, deem necessary or appropriate to carry out the purposes of the foregoing resolution.

RESOLVED: That the officers of this corporation be and they hereby are authorized and directed to pay the expenses of the incorporation and organization of this corporation.

RESOLVED: That the principal office of the corporation be located at c/o Barton Homes - Abby Lane, L.L.C., 15615 North 71st Street, Suite 208, in the City of Scottsdale, County of Maricopa, Arizona.

RESOLVED: That the officers of the corporation be and they hereby are authorized and directed to select as a depository for the moneys, funds and credit of this corporation any banking institution insured by the Federal Deposit Insurance Corporation, and that each of the officers be and they hereby are authorized and empowered to draw checks (including checks payable to his own order or bearer) upon said depository against the account of this corporation with said depository in any amount. each officer being empowered to draw such checks singly in his or her name: and that each of the officers be and they hereby are authorized and empowered to endorse in the name of the corporation and receive payment of all checks, drafts and commercial paper payable to this corporation either as payee or endorsee.

RESOLVED: That this corporation shall adopt as its annual accounting period a fiscal year ending on December 31.



Patrick A. Barker, Director

Dated: 01-28-02



James J. Walton, Director

Dated: _____



Gara McClymont, Director

Dated: 1-28-02