

BYLAWS

OF

PEACHTREE LANE IMPROVEMENT ASSOCIATION, INC.,
an Arizona non-profit corporation

ARTICLE I

Definitions

The definitions set forth in the DECLARATION OF HORIZONTAL PROPERTY REGIME AND COVENANTS, CONDITIONS AND RESTRICTIONS for PEACHTREE LANE, recorded under Control Number 84-389086, Records of Maricopa County, Arizona (hereinafter called the "Declaration") as it may be amended from time to time, shall apply with equal force to the provisions and language of these Bylaws, and those definitions are incorporated herein as if set forth in full.

ARTICLE II

Members

SECTION 1. Declaration Incorporated By Reference. The members of PEACHTREE LANE IMPROVEMENT ASSOCIATION, INC., (hereinafter called the "Association") shall be defined by, and shall have such rights and duties as are set forth in the Declaration, which is incorporated herein as if set forth in full. Whenever any provision of the Bylaws conflicts with any provision of the Declaration, the provisions of the Declaration shall take precedence over and control the Bylaws provisions.

SECTION 2. Place of Meeting. Every meeting of the members of the Association shall be held at the principal office of the Association in the State of Arizona or at such other place in or out of said State as shall be specified in the notice of

said meeting given as hereinafter provided or in a waiver of notice thereof.

SECTION 3. Annual Meetings. Each annual meeting of the members of the Association for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held on May 15th, (or if that day shall be a legal holiday, then on the next succeeding business day) at 7:30 p.m. or at such hour as may be specified in a Waiver of Notice thereof signed by all of the members of the Association.

SECTION 4. Special Meetings. Special meetings of the members for any purpose or purposes, unless otherwise regulated by statute, may be called by Resolution of the Board of Directors of the Association (hereinafter called the Board) or by the President or Secretary, and shall be called whenever members hold a one-tenth (1/10) of the voting rights of the Association shall in writing make application therefor to the President, stating the purpose of such meeting.

SECTION 5. Notice of Meeting. Notice of every meeting of the members shall be in writing and signed by the President or a Vice-President or the Secretary or an Assistant Secretary of the Association. Such Notice shall state the purpose or purposes for which the meeting is called and the date, hour, and the place within or without the state where it is to be held, and a copy thereof shall be served, either personally or by mail, upon each member of record entitled to vote at such meeting, not less than

ten nor more than twenty days before the meeting. If mailed, it shall be directed to each member at his address as it appears on the Association's record of members unless he shall have filed with the Secretary of the Association a written request that Notices intended for him be mailed to some other address, in which case it shall be mailed to the address designated in such request. Such Notice shall not be required to be given to any member who shall attend such meeting in person or by proxy, or shall in writing or by telegraph waive notice thereof. Notice of any adjourned meeting need not be given, except when expressly required by law, or by expressed provision of these bylaws.

SECTION 6. Quorum. Except as otherwise provided by law, or by other express provision of the Declaration or these bylaws, the presence in person or by proxy of a majority of the memberships issued and outstanding and entitled to vote thereat shall constitute a quorum at each meeting of the members for the transaction of business. In the absence of a quorum at any such meeting or any adjournment or adjournments thereof, a majority of those members present in person or by proxy, or in the absence therefrom of all the members, any officer entitled to preside at, or to act as secretary of, such meeting, may adjourn such meeting from time to time until a quorum is present thereat. At any such adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally called, except as expressly stated in the Declaration or these Bylaws.

SECTION 7. Voting. In accordance with, and subject to the provisions of the Declaration, including, but not limited to provisions establishing the rights of the Developer, each membership representing ownership of one of the Units in the Development shall be entitled to one (1) vote, and may vote either in person or by proxy. At all meetings of members, a quorum being present, all matters, except those matters to be decided upon as otherwise expressly stated by law, the Declaration, the Articles of Incorporation of the Association or these Bylaws, shall be decided by the vote of a majority of memberships present in person or by proxy and entitled to vote thereat. Members shall have no power to take any action in derogation of the Declaration, as it may be amended from time to time. Except in the case of a vote for the election of directors, unless demanded by a member present in person or represented by proxy at any meeting of the members and entitled to vote thereat or so directed by the chairman of the meeting, the vote thereat on any other question need not be by ballot. Upon a demand by any such member for a vote by ballot on any question or at the direction of such chairman that a vote by ballot be taken on any question such vote shall be taken. On a vote by ballot each ballot shall be signed by the member voting, or in his name by his proxy, if there be such proxy, and it shall show the number of shares voted by him. Except as otherwise required by law or by these Bylaws all voting may be viva voce.

SECTION 8. The Developer's Rights. Notwithstanding anything contained herein to the contrary or otherwise, until such time as all of the Units within the Development have been conveyed to purchasers thereof (as evidenced by the recordation of deeds thereto) or until the 31st day of December, 1986, whichever date is first to occur, all of the rights and authority granted to the Association shall be and remain in Developer, according to the terms and conditions set forth in the Declaration, including, but not limited to the right to the only voting membership in the Association and to designate each member of the Board.

ARTICLE III

Directors

SECTION 1. General Powers. The Board shall manage the business and affairs of the Association and may exercise all such authority and powers of the Association and do all such lawful acts and things as are not by law, the Declaration, the Articles of Incorporation or these Bylaws directed or required to be exercised or done by the members, or by the Developer.

SECTION 2. Specific Powers. Without limitation of the general powers granted by Section 1 of this Article, the Board shall have power to take appropriate action to manage and maintain, repair, replace and improve the Common Areas together with improvements located thereon, to perform related activities, and to perform all of the functions and duties assigned to the Board by the Declaration, including, without limitation, all

powers with respect to the calculation, levy and collection of assessments; all powers with respect to architectural control and pre-construction approval or disapproval of plans or methods; all powers with respect to limiting the members' right to enjoyment in the Common Areas; all powers with respect to the exercise of the Association's first right of refusal upon sale or lease; and without limitation by the particularity of the foregoing, all other powers, as more fully set forth in the Declaration, the provisions of which are hereby incorporated herein as if set forth in full.

SECTION 3. Number, Qualification and Term of Office.

The number of directors of the Association shall be such number, not less than three (3) nor more than seven (7), as shall from time to time be determined by the Board, and in the absence of such determination, shall be three (3). All directors shall be of full age and at least one of them shall be a citizen of the United States and a resident of the State of Arizona. The term of office of each director shall be from the time of his election and qualification until the annual meeting of members next succeeding his election and until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign, or until he shall have been removed in the manner provided in Section 9 of this Article II. Directors shall be members.

SECTION 4. Election of Directors. At such meeting of members for the election of directors at which a quorum shall be

present, the persons receiving a plurality of votes cast shall be deemed elected.

SECTION 5. Quorum and Manner of Acting. Except as provided in Section 11 of this Article II, and except when considering special assessments for capital improvements, in accordance with the terms of Section 4, Article IX of the Declaration, a majority of the whole Board shall constitute a quorum for the transaction of business at any meeting. Any act of a majority of the directors present at any meeting at which a quorum shall be present shall be the act of the Board. In the absence of a quorum a majority of the directors present may adjourn any meeting from time to time until a quorum be had. Notice of any adjourned meeting need not be given, other than by announcement at the meeting at which such adjournment shall be taken.

SECTION 6. Place of Meeting. The Board shall hold its meetings at such place or places within or without the State of Arizona as the Board may from time to time determine or as shall be specified or fixed in the respective notices or waivers of notice thereof.

SECTION 7. Regular Meetings. Regular meetings of the Board shall be held at such times and places as the Board by resolution may determine. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day

shall be held at the same hour on the next succeeding business day at said place.

SECTION 8. Special Meetings. Special meetings of the Board shall be held whenever called by the President or by any two of the directors.

SECTION 9. Notices of Meetings. Notice of each regular and special meeting of the Board, stating the time, place and purpose thereof, shall be mailed to each director, addressed to him at his residence or usual place of business, or shall be sent to him at such place by telegraph, or be delivered personally or by telephone, at least one (1) day before the day on which the meeting is to be held, but notice need not be given to any director if such notice shall be waived by him and any business may be transacted by the Board at a meeting at which every member of the Board shall be present, though held without notice.

SECTION 10. Removal of Directors. Any director may be removed at any time, either with or without cause, by the affirmative vote of a majority of the members of the Association and entitled to vote, given at a special meeting of such members called for that purpose; and the vacancy in the Board caused by any such removal may be filled by the members at such meetings.

SECTION 11. Vacancies. Any vacancy occurring in the Board of Directors shall 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 directors when his

successor is elected and qualified. Any newly created directorship shall be deemed a vacancy. When one or more directors shall resign from the Board, effective at a future time, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as herein provided in the filling of other vacancies. If at any time, by reason of death or resignation or other cause, the Association should have no directors in office, then any officer or member or executor, administrator, trustee, or guardian of a member entitled to vote, or other fiduciary of a member, may call a special meeting of the shareholders for the purpose of electing directors.

SECTION 12. Compensation. Each director, in consideration of his serving as such, shall be entitled to receive from the Association such amount per annum of such fees for attendance at directors' meetings, or both, as the Board of Directors shall from time to time determine, together with reimbursement for the reasonable expenses incurred by him in connection with the performance of his duties. Nothing in this section contained shall preclude any director from serving the Association, in any other capacity and receiving proper compensation therefor. Notwithstanding any provision of this Section, no part of the net earnings from assessments of the Association shall inure to the benefit of any member or private individual.

ARTICLE IV

Officers

SECTION 1. Number. The executive officers of the Association shall be the President, who shall be a member of the Board, a Secretary and a Treasurer; and there may be, in addition, one or more Vice-Presidents and such subordinate officers, agents and employees as shall be appointed in accordance with the provisions of Article III, Section 3 of these Bylaws. One person may hold the office of, and perform the duties of, any two or more offices, except that the same person shall not be both President and Secretary. The Board may require any such officer, agent or employee to give security for the faithful performance of his duties.

SECTION 2. Election, Term of Office, Qualification. The executive officers of the Association shall be chosen annually by the Board, each thereof to hold office for one year or until his successor shall have been duly chosen and shall qualify, or until his death or until he shall resign, or shall have been removed in the manner hereinafter provided.

SECTION 3. Subordinate Officers, etc. The Board may appoint such subordinate officers, agents or employees as the Board may deem necessary or advisable, including one or more additional Vice-Presidents, one or more Assistant Treasurers, and one or more Assistant Secretaries, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board may from time to

time determine. The Board may delegate to any executive officer or to any committee the power to appoint any such additional officers, agents, or employees.

SECTION 4. Removal. Any officer of the Association may be removed, either with or without cause, at any time, by resolution adopted by a majority of the whole Board at a special meeting thereof called for that purpose, or, except in the case of any officer elected by the Board, by any committee or executive officer upon whom such power of removal may be conferred by the Board.

SECTION 5. Vacancies. A vacancy in any office, because of death, resignation, removal or any other cause, shall be filled for the unexpired portion of the term in the manner prescribed in Sections 2 and 3 of this Article III for election and appointment to such office.

SECTION 6. The President. The President shall be the chief executive officer of the Association and shall have general supervision over the business of the Association, subject to the control of the Board. He shall, if present, preside at each meeting of the members and of the Board. He shall see that all orders and resolutions of the Board are carried into effect. He may sign, execute and deliver in the name of the Association, all deeds, mortgages, bonds, contracts, or other instruments authorized by the Board, except in cases where the signing, execution or delivery thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the

Association or where any thereof shall be required by law otherwise to be signed, executed and delivered, and he may affix the seal of the Association to any instrument which shall require it. In general, he shall perform all duties incident to the office of President and such other duties as may from time to time be assigned to him by these Bylaws or by the Board of Directors.

SECTION 7. Vice-President. Each Vice-President shall have such powers and perform such duties as the Board or the President may from time to time prescribe and shall perform such other duties as may be prescribed by these Bylaws. At the request of the President, or in case of his absence or inability to act, the Vice-President, or, if there shall be more than one Vice-President then in office, that one of them who shall be designated for the purpose by the President or by the Board of Directors shall perform the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President.

SECTION 8. The Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all the funds and securities of the Association and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name of and to the credit of the Association in such banks or other depositories as may be designated by the Board; he shall disburse the funds of the Association as may be

ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and to the Directors at the regular meetings of the Board or whenever they require it, a statement of all his transactions as Treasurer and an account of the financial condition of the Association; and, in general, he shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him by the Board.

SECTION 9. The Secretary. The Secretary shall act as secretary of, and keep the minutes of, all meetings of the Board and of the members; he shall cause to be given notice of all meetings of the members and directors; he shall be custodian of the seal of the Association and shall affix the seal, or cause it to be affixed, to all documents the execution of which on behalf of the Association under its seal shall have been specifically or generally authorized by the Board; he shall have charge of the record of members and also of the other books, records and papers of the Association relating to its organization as an Association and shall see that the reports, statements and other documents required by law are properly kept or filed; and he shall in general perform all the duties incident to the office of Secretary. He shall also have such powers and perform such duties as are assigned to him by these Bylaws, and he shall have such other powers and perform such other duties, not inconsistent with these Bylaws as the Board shall from time to time prescribe.

SECTION 10. Salaries. The salaries of the officers of the Association, if any, shall be fixed from time to time by the Board, and none of such officers shall be prevented from receiving a salary by reason of the fact that he is also a member of the Board; and any officer who shall also be a member of the Board shall be entitled to vote in the determination of the amount of the salary that shall be paid to him. Notwithstanding any provision of this Section, no part of the net earnings from assessments of the Association shall inure to the benefit of any member or private individual.

ARTICLE V

Resignations

Any director or other officer may resign his office at any time by giving written notice of his resignation to the President or the Secretary of the Association. Such resignation shall take effect at the time specified therein, or, if no time be specified therein, then at the time of the receipt thereof, and the acceptance thereof shall not be necessary to make it effective.

ARTICLE VI

Contracts, Checks, Drafts, Bank Accounts, Etc.

SECTION 1. Execution of Contracts. In addition to the provisions of Article III, Section 6 of these Bylaws, the Board may authorize any officer or officers, agents or agent, in the name and on behalf of the Association, to enter into any contract or execute and deliver any instrument, and such authority may be

general or confined to specific instances; except as is provided by Article III, Section 6 of these Bylaws with respect to the powers and authority of the President, and, unless so authorized by the Board or expressly authorized by these Bylaws, no officer or agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it pecuniarily liable for any purpose or to any amount.

SECTION 2. Loans. No loans shall be contracted on behalf of the Association and no negotiable paper shall be issued in its name unless authorized by resolution of the Board. When authorized by the Board to do so, any officer or agent of the Association thereunto authorized may effect loans and advances at any time for the Association from any firm, corporation, or individual and for such loans and advances may make, execute and deliver promissory notes, bonds, or other certificates or evidences of indebtedness of the Association and may pledge, hypothecate or transfer any securities or other property of the Association as security for any such loans or advances. Such authority may be general or confined to specific instances.

SECTION 3. Checks, Drafts, Etc. All checks, drafts and other orders for the payment of monies out of the funds of the Association and all notes or other evidences of indebtedness of the Association shall be signed on behalf of the Association in such a manner as shall from time to time be determined by resolution of the Board.

SECTION 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositaries as the Board may select or may be selected by any officer or officers, agent or agents of the Association to whom such power may from time to time be delegated by the Board; and, for the purpose of such deposit, the President, any Vice-President, the Treasurer, the Secretary or any other officer or agent or employee of the Association to whom such power may be delegated by the Board may endorse, assign and deliver checks, drafts and other orders for the payment of monies which are payable to the order of the Association.

ARTICLE VII

Offices and Books

SECTION 1. Offices. The principal office of the Association shall be at such place in the City of Phoenix, County of Maricopa, as the Board may determine. The Board may from time to time and at any time establish other offices of the Association or branches of its operations at whatever place or places seem to it expedient.

SECTION 2. Books. There shall be kept at the office of the Association or of its statutory agent, in the State of Arizona, correct books of all the operations and transactions of the Association, a copy of these Bylaws and the record of membership, which shall contain the names, alphabetically arranged, of all members of the Association, showing their

respective places of residence and the time when they, respectively, became members.

ARTICLE VIII

Seal

The Board shall provide a seal for the Association, which shall be in the form of a circle and shall bear the name of the Association and words and figures indicating the year and state in which the Association was incorporated and such other words or figures as the Board may approve and adopt.

ARTICLE IX

Fiscal Year

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

ARTICLE X

Waiver of Notice

Whenever under the provisions of any law of the State of Arizona, or of the Declaration, as amended, or of the Articles of Incorporation, as amended, the Board is authorized to take any action after notice to members or directors or after the lapse of a prescribed period of time, such action may be taken without notice and without the lapse of any period of time, if, at any time before or after such action shall be completed, such notice or lapse of time shall be waived in writing by the person or persons entitled to participate in the action to be taken, or, in the case of a member, by an attorney thereunto authorized.

Any meeting at which all members, or, in the case of a meeting of the Board, all directors are present, or with respect

to which notice is waived by any absent member or director, may be held at any time, for any purpose and at any place, and shall be deemed to have been validly called and held, and all acts done and business conducted at any such meeting shall be deemed valid in all respects.

Any act of the members or directors of the Association may be taken without a meeting if a consent in writing setting forth the act is signed by all of the members entitled to vote with respect to the subject matter of the meeting or all of the directors. The consent has the same force and effect as unanimous vote and may be stated as such in any document delivered to any other party.

ARTICLE XI

Amendments

These Bylaws, or any of them, may be altered, amended, or repealed, or new Bylaws may be made, at any annual or special meeting, by the members having voting power, or at any regular or special meeting of the Board, by vote of a majority of the whole Board, provided that the proposed action in respect thereof shall be stated in the notice of such meeting, or that such notice will be waived.