

BYLAWS
OF
YORKSHIRE ESTATES HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1
DECLARATION, DEFINITIONS

The Association has been formed for the purposes set forth in the Association's Articles of Incorporation and, in particular (but without limiting the generality of the foregoing), to act as the "Association" under the Declaration of Covenants, Conditions and Restrictions for Yorkshire Estates recorded on August 2, 2001, in Instrument No. 2001-0705406 of the Official Records of the Maricopa County Recorder, as the same may be amended from time to time (the "Declaration"). Capitalized words and terms used in these Bylaws but not defined herein shall have the meanings as set forth in the Declaration.

ARTICLE 2
OFFICES

2.1 Principal Office. The Association shall maintain its principal office and known place of business at 3337 E. Tonto Lane, Phoenix, Arizona 85050, or at such other address as may be designated by the Board.

2.2 Other Offices. The Association may also maintain offices and places for conducting business at such other place or places, both within and without the State of Arizona, as may be designated from time to time by the Board, and the business of the Association may be transacted at such other offices with the same effect as that conducted at the principal office.

ARTICLE 3
MEMBERS

3.1 Membership. The Members of the Association shall be determined in the manner set forth in the Declaration.

3.2 Place of Members Meetings. The annual meetings of Members shall be held at such place, convenient to the Property, as may be fixed from time to time by the Board, or in the absence of direction by the Board, by the president or secretary of the Association, and shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

3.3 Annual Members Meetings. The first annual meeting of the Members shall be held within one (1) year from the first close of escrow of a Lot within the Property at such hour and at such place as may be specified in a written notice of such meeting, and each subsequent regular annual meeting of the Members shall be held each year at such place as may be designated in the written notice of such meeting. At each annual meeting the Members shall elect the Board and transact such other business as may properly be brought before the meeting.

3.4 Special Meeting of Members. Unless otherwise prescribed by Arizona Statute or by the Articles, special meetings of the Members, for any purpose or purposes, may be called by: (a) the president; (b) a majority of the directors; or (c) Members having at least ten percent (10%) of all Class A votes (as determined in accordance with the Declaration).

3.5 Notice of Members Meetings. Not less than ten (10) nor more than fifty (50) days before the date of any annual or special meeting of the Members, either the secretary or any other officer of the Association shall cause written notice stating the place, date and time of the meeting (and, in the case of a special meeting, the items on the agenda, including, but not limited to, the general nature of any

proposed amendment to the Declaration, Articles or Bylaws, any budget changes and any proposal to remove a director or officer) to be hand-delivered or sent prepaid by United States mail to the last known mailing address of each Member as shown in the Association records or to the mailing address of such Member's Lot. If mailed, such notice shall be deemed to be delivered when mailed. Business transacted at any Special meeting of Members shall be limited to the items stated in the notice unless determined otherwise by a unanimous vote of the Members present at such meeting.

3.6 Quorum. Unless otherwise required by the Declaration, the Articles or applicable law, a quorum shall be deemed present for all purposes throughout any meeting of Members if Members entitled to cast at least ten percent (10%) of all outstanding votes are present in person or by valid proxy at the beginning of the meeting. Further, except as otherwise provided in Section 13.1 of these Bylaws and except as may otherwise be provided by the Declaration, the Articles or applicable law, the action by Members holding a majority of votes represented at a meeting at which a quorum is present shall constitute the act of the full membership of the Association. Whether or not a quorum is present, a meeting may be adjourned from time to time by the vote of Members holding a majority of the votes represented at such meeting, whether in person or by valid proxy, without notice other than by announcement at the meeting of the time and place at which the adjourned meeting will be reconvened and without further notice to any absent Members, provided, however, that if the adjournment is for more than thirty (30) days, notice of the time and place at which the adjourned meeting will be reconvened shall be given to each Member in the manner provided in Section 3.5 above. If a quorum is present at the time and place the adjourned meeting is reconvened, any business may be transacted at the reconvened meeting which might have been transacted at the meeting as originally noticed.

3.7 Voting. The Members shall be entitled to the voting rights set forth in the Declaration. At every meeting of Members each Member in good standing shall be entitled to vote either, (a) in person; or (b) by a proxy duly appointed by a written instrument signed by the Member, dated not more than eleven (11) months prior to such meeting (unless such instrument provides for a longer period not to exceed twenty-five (25) months from the date of its execution and states that it is coupled with an interest and is irrevocable). The vote for directors and upon any question before the meeting shall be by voice vote, except that, upon demand of any ten (10) or more Members, a vote shall be taken by ballot. Except as otherwise provided herein or by applicable Arizona law, the Declaration, or the Articles, all elections and other matters to be determined by the Members shall be decided by Members (whether present in person or by proxy) holding a majority of votes represented at a meeting at which a quorum is present, and cumulative voting shall not be permitted.

3.8 Freezing of List of Members or Fixing of Record Date. For the purpose of determining Members entitled to notice of or to vote at a meeting of Members, or in order to make a determination of Members for any other proper purpose, the Board may provide that the list of Members shall be frozen for a stated period not to exceed ten (10) days. If the list of Members shall be frozen for the purpose of determining Members entitled to notice of or to vote at a meeting of Members, such list shall be frozen for not more than ten (10) days immediately preceding such meeting. In lieu of freezing the list of Members, the Board may fix in advance a date as the record date for any such determination of Members, such date in any case to be not more than ten (10) days prior to the date of the particular meeting of Members or the date on which the particular action requiring such determination of Members is to be taken, as applicable. If the list of Members is not frozen and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, the record date for such determination of Members shall be four o'clock in the afternoon on the day before the day on which notice of the meeting is mailed. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any continuation of such meeting following an adjournment.

3.9 Action Without Meeting. Any action required or permitted to be taken at any annual or special meeting of Members may be taken without a meeting, without prior notice, and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by all Members

3.10 Waiver of Notice. Whenever any notice is required to be given to any Member under the provisions of the Articles, the Bylaws, the Declaration, applicable Arizona law, or otherwise, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not properly called or convened.

3.11 Assessments. As more particularly provided in the Declaration, the Association has the right, power and authority to establish and levy Assessments against the Lots and the Owners thereof, and to enforce the payment of such Assessments.

3.12 Suspension. As more particularly provided in the Declaration, the Board may impose sanctions for violations of the Declaration and of the rules and regulations of the Association, which sanctions may include suspension of the right to vote, suspension of the right to use recreational facilities on or constituting part of the Common Area, if any, and, in certain instances, imposition of reasonable monetary fines. The duration of any suspension of a Member's right to vote or to use Common Areas shall be limited as provided in the Declaration.

ARTICLE 4 DIRECTORS

4.1 Election. The business and affairs of the Association shall be managed, conducted and controlled by the Board. The directors shall be appointed or elected as provided in the Declaration, and for the term(s) specified therein. Except as provided in the Declaration, each director shall be elected at the annual meeting of Members concurrent with the expiration of the term of the director he or she is to succeed, and, except as otherwise provided in these Bylaws or in the Articles or the Declaration, shall hold office until his or her successor is elected and qualified. Nothing herein shall be construed to prevent the appointment or election of any person or persons to two or more terms as director, whether or not such terms shall be consecutive. No person shall be eligible for election as a director who is not at the time of election a Member of the Association, except such persons as may be designated by Declarant or by a corporate, partnership or other non-individual Owner. If, after election: (a) any director (except for a director designated by Declarant or by a corporate, partnership or other non-individual Owner) ceases to be a Member, he or she shall thereupon no longer be a director and his or her office shall become vacant; or (b) a corporate, partnership or other non-individual Owner ceases to be a Member, any director serving by virtue of having been designated by such corporate, partnership or other non-individual Owner shall thereupon no longer be a director and his or her office shall become vacant.

4.2 Number. The number of directors which shall constitute the whole Board shall be three (3), provided that, at any time after the Class B membership ceases to exist (as provided in the Declaration), such number may be increased to a total not to exceed five (5) directors upon the affirmative vote of Members holding a majority of an Class A votes represented in person or by proxy at any annual meeting of Members or at a special meeting of Members called for such purpose.

4.3 Vacancies. Except as otherwise provided in the Declaration, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the affirmative vote of a majority of the remaining directors then in office, or by a sole remaining director, and the directors so chosen shall hold office, in the case of a vacancy) for the remaining term of their predecessors) and) in the case of an increase in the authorized number of directors, until the next annual meeting of Members. At any time after there is no longer a Class B member, if there are no directors in office, any officer or Member may call a special meeting of Members for the purpose of electing the Board.

4.4 Annual Board Meetings. Within thirty (30) days after each annual meeting of Members) the newly elected directors shall meet forthwith for the purpose of organization, the election of officers) and the transaction of other business and, if a quorum of the directors is present) no prior notice of such meeting shall be required to be given, provided that the place and time of such first meeting of newly-elected directors may be changed by written consent of all of the directors.

4.5 Special Board Meetings. Special meetings of the Board may be called by the president or secretary and must be called by either of them on the written request of any member of the Board.

4.6 Notice of Board Meeting. Regular meetings of the Board may be held without notice at such time and place as may be determined by the Board. In case of special meetings of the Board, notice shall be given to each of the directors in accordance with such reasonable policy as the Board may determine. Any business may be transacted at any meeting of the Board. Attendance of a person at a meeting shall constitute waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not properly called or convened.

4.7 Quorum. A majority of the number of the directors then serving shall constitute a quorum at a meeting of the Board. If at any meeting there is less than a quorum present, the directors present may adjourn the meeting from time to time without further notice to any absent director.

4.8 Action Without a Meeting. Unless otherwise restricted by the Declaration, the Articles or these Bylaws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent to the action in writing, such written consents shall be filed with the minutes of proceedings of the Board or committee.

4.9 Powers. Subject to the provisions of the Declaration, the Articles, these Bylaws and applicable law, the Board shall have power:

4.9.1 To elect and remove the officers of the Association;

4.9.2 To administer the affairs of the Association and the Common Area;

4.9.3 To engage the services of a manager or managing agent who shall manage and Operate the Common Area for an of the Members upon such terms, for such compensation and with such authority as the Board may approve;

4.9.4 To formulate policies for the administration, management and operation of the Common Area;

4.9.5 To provide for the operation, maintenance, repair and replacement of the Common Area and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent;

4.9.6 To provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Common Area, and to delegate any such powers to the manager or managing agent (and any such employees or other personnel who may be the employees of a managing agent);

4.9.7 To appoint or dissolve committees of the Board, to remove any director from a committee at any time, and to delegate to such committees the Board's authority to carry out certain duties of the Board;

4.9.8 To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Owners their respective shares of such estimated expenses;

4.9.9 To exercise all of the rights, powers and duties granted to it by the Declaration;

4.9.10 Unless otherwise provided herein or in the Declaration, the Articles or applicable law, to comply with the instructions of a majority of the Members as expressed in resolution duly adopted at an annual or special meeting of the Members; and

4.9.11 To exercise for the Association all other powers, duties and authority vested in or delegated to the Association.

4.10 Removal and Resignation of Directors. Any director or the entire Board may be removed, with or without cause, by Members holding a majority of all votes, except that any director appointed to the Board by Declarant: (a) may be removed and replaced at any time by Declarant; and (b) may not be removed, while the Class B membership exists, without the consent of Declarant. Any director may resign upon written notice pursuant to Article 8 of these Bylaws.

4.11 Place of Board Meeting. The Board shall hold meetings, both regular and special, in Maricopa County, Arizona, or at such other place or places, and such meetings may be held by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 4.11 shall constitute presence in person at such meeting.

4.12 Waiver of Notice. Whenever any notice is required to be given to any director of the Association under the provisions of the Articles, these Bylaws, the Declaration, applicable Arizona law or otherwise, a waiver thereof in writing signed by the person or persons entitled to such notices, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

4.13 Committees of the Board. The Board, by resolution adopted by a majority of the full Board, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in such resolution and permitted by law, shall have and may exercise all the authority of the Board. The Board, with or without cause, may dissolve any such committee or remove any member thereof at any time. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Board, or any member thereof, of any responsibility imposed by law.

4.14 Compensation. Directors shall receive no compensation for their services unless expressly provided for in a resolution duly adopted by Members holding, personally or by valid proxy, a majority of the votes then entitled to be cast at a meeting expressly called for that purpose.

ARTICLE 5 OFFICERS

5.1 Designation of Titles. The officers of the Association shall be a president, vice president, secretary and a treasurer, and shall be chosen by the Board; the Board may also choose a chairman of the Board. No person may hold, at any time, more than one of such offices, except that the offices of secretary and treasurer may be held by the same person.

5.2 Election, Term of Office, Qualification. Except for the initial officers chosen by the Board at its first meeting following the incorporation of the Association (who shall serve until their successors shall have been duly chosen and shall qualify), each of the officers of the Association shall be chosen annually by a majority of the Board, and shall hold office for one year or until his or her successor shall have been duly chosen and shall qualify, or until his or her death or until he or she shall resign or shall have been removed pursuant to these Bylaws or the Articles or the Declaration. No person shall be eligible for

election as an officer who is not at the time of election a Member of the Association, except such persons as may be designated from time to time by Declarant or by a corporate partnership or other non-individual Owner. If, after election: (a) any officer (except for an officer designated by Declarant or by a corporate, partnership or other non-individual Owner) ceases to be a Member, he or she shall thereupon no longer be an officer and his or her office shall become vacant or (b) a corporate, partnership or other non-individual Owner ceases to be a Member, any officer serving by virtue of having been designated by such corporate, partnership or other non-individual Owner shall thereupon no longer be an officer and his or her office shall become vacant.

5.3 Subordinate Officers, Agents or Employees. The Board may appoint such subordinate officers, agents or employees as the Board may deem necessary or advisable, including one or more assistant 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 the president or to any committee of the Board the power to appoint any such additional officers, agents or employees. Notwithstanding the foregoing, no assistant treasurer shall have power or authority to collect, account for, or pay any tax imposed by any federal, state or city government.

5.4 Removal. Any officer or agent may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby. Election or appointment of an officer or agent shall not of itself create contract rights.

5.5 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 5.1, 5.2 and 5.3 for election or appointment to such office.

5.6 Chairman of the Board. The chairman of the Board, if one shall have been appointed and be serving, shall preside at all meetings of the Board and shall perform such other duties as may be assigned to him or her from time to time.

5.7 President. The president shall preside at all meetings of Members, and if a chairman of the Board shall not have been appointed or, having been appointed, shall not be serving or shall be absent, the president shall preside at all meetings of the Board. The president shall be the principal officer of the Association and, subject to the control of the Board, shall in general supervise and control all of the business and affairs of the Association. The president may sign, with the secretary or any other proper officer of the Association authorized by the Board, deeds, mortgages, bonds, contracts or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by the Declaration, the Articles or these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board from time to time.

5.8 Vice President. The 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 the Declaration, the Articles or these Bylaws. At the request of the president, or in case of the president's absence or inability to act, the vice president shall perform the duties of the president, and when so acting shall have all powers of, and be subject to all the restrictions upon, the president.

5.9 Treasurer. The treasurer shall be responsible for the charge and custody of funds and securities of the Association, keeping full and accurate accounts of receipts and disbursements in books belonging to the Association and depositing all moneys and other valuable effects in the name of and to the credit of the Association in such banks and other depositories as may be designated by the Board. The treasurer shall be responsible for disbursing the funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements, and rendering to the president and to the directors at the regular meetings of the Board (or at such other times as they may require it), a statement of all financial transactions and an account of the financial condition of the Association; and, in general, the

