

BY LAWS

FOR

NANTUCKET HOMEOWNERS ASSOCIATION

BYLAWS
OF
NANTUCKET HOMEOWNERS ASSOCIATION

ARTICLE I
NAME AND LOCATION

The name of the corporation is NANTUCKET HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 1800 West Broadway #4, Tempe, Arizona 85282, but meetings of members and directors may be held at such places within the State of Arizona, County of Maricopa, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "**Association**" shall mean and refer to Nantucket Homeowners Association, its successors and assigns.

Section 2. "**Property**" shall mean and refer to that certain real property described on Exhibit "A" to the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "**Common Area**" shall mean all real property owned by the Association for the common use and enjoyment of the Owners as defined in the Declaration.

Section 4. "**Lot**" shall mean and refer to any plot of land shown upon any recorded subdivision plat of all or part of the Property with the exception of the Common Area.

Section 5. "**Owner**" 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 Property, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

Section 6. "**Declarant**" shall mean and refer to the party which is named, as the Declarant in the Declaration, or any person or entity to whom any part or all of Declarant's rights are assigned, as provided in the Declaration.

Section 7. "**Declaration**" shall mean and refer to the Declaration of Covenants, Conditions, Restrictions, Reservations and Easements applicable to the Property recorded in the Office of the County Recorder of Maricopa County, Arizona.

Section 8. "**Member**" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III
MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held on the second Tuesday of the first full month following 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 7:00 o'clock, P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the member may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 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 such notice, postage prepaid, at least ten (10) days and not more than sixty (60) days before the meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the, Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the member, entitled to vote thereat shall have 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. In addition, if a quorum does not exist at any meeting, another meeting may be called for such purpose, subject to the notice requirement of Section 3 above, and the required quorum at the subsequent meeting shall be one-half of the quorum required at the initially scheduled meeting. The meeting may be repeatedly rescheduled in this way, with notice, and the required quorum shall continue to decrease by one-half at each meeting until a quorum is present or represented by proxy at a meeting. Each subsequent meeting shall be held within sixty days following the preceding meeting,

Section 5. 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 or her Lot.

ARTICLE IV BOARD OF DIRECTORS- SELECTION. TERM OF OFFICE

Section 1. Nomination. The affairs of this Association shall be managed by a Board of not more than seven (7) nor less than three (3) directors, who need not be members of the Association.

Section 2. Term of Officer. Each Director shall be elected for a term of one (1) year.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI
MEETINGS OF DIRECTORS

Section 1. Regular Meeting. Regular meetings of the Board of Directors shall be held monthly at such place and hour as may be fixed from time to time by resolution of the Board. Should such meeting fail upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. All meetings of the Board of Directors shall be open to the Members. Notice of all meetings (other than emergency meetings) of the Board of Directors shall be provided to the Members as set forth in Article III, Section 3 of these Bylaws.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3. 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 it quorum is present shall be regarded as the act of the Board.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to;

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

(b) suspend the voting rights and right to use of the individual facilities of a number during any period in which such member shall be in default in the payment of any assessment

levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations; provided, however, that such rights of a member may be suspended for successive periods thereafter of sixty (60) days each if the infractions in question are not corrected within a given preceding sixty (60) day period;

(c) exercise, for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Article of Incorporation, or the Declaration;

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

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to):

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

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

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

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Common Area to be maintained.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

Section 1. **Enumeration of Officers.** The officers of this Association shall be a president and vice president, who shall at all time be members of the Board of Directors, a secretary, and a treasurer, and. mueb other officers, as the Board may from time to time by resolution create.

Section 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. Until such time, the initial officers shall be:

President	Nathan Jacobus
Vice President	Steve Pelz
Secretary	Linda Lance
Treasurer	Doug Stewart

Section 3. **Term.** The officers of this Association shall be elected annually by the Board and each &hall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 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 period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. **Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, 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.

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

Section 7. **Multiple Offices.** The offices of secretary, treasurer and/or vice-president may be held by the same person. Except as provided preceding sentence, no person shall simultaneously hold more than one of any of the other offices except in the case of special off-ices Created Pursuant to Section 4 of this Article.

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

President

(a) The president shall preside at all meetings of the Board of Director; shall see that orders and resolutions of the Board am carried out; shall sign all leases, mortgages, deeds and other vnimm instruments and shall co-sign all checks and promissory notes.

Vice President

(b) 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.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board 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 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.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; 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.

**ARTICLE IX
COMMITTEES**

Declarant shall appoint a Design Review Committee, as provided in the Declaration, and the Board of Directors shall appoint a Nominating Committee, as provided in these Bylaws. The Board of Directors shall be responsible for appointing the members of the Design Review Committee after Declarant's right to do so ceases as provided in the Declaration. In addition, the Board of Directors shall, appoint other committees as deemed appropriate in carrying out its purpose.

**ARTICLE X
BOOKS AND RECORDS**

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

**ARTICLE XI
ASSESSMENTS**

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid as provided in the Declaration shall be delinquent. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

**ARTICLE XII
AMENDMENTS**

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority or it quorum of members present in person or by proxy, except that the Federal Housing Administration, or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and, these Bylaws, the Declaration shall control.

**ARTICLE XIII
FISCAL YEAR**

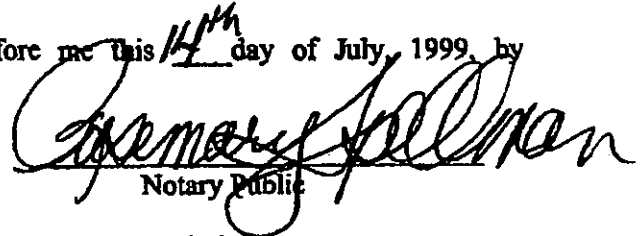
The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

IN WITNESS WHEREOF, I, being the sole Incorporator of the Nantucket Homeowners Association, have hereunto set my hand this 14th day of July, 1999, as authorized by the Articles of Incorporation of the Association.


Sole Incorporator

STATE OF CALIFORNIA }
 } ss.
County of San Bernardino }

The foregoing instrument was acknowledged before me this 14th day of July, 1999, by
Larry R. Day


Notary Public

My commission expires:
Nov. 9, 2001

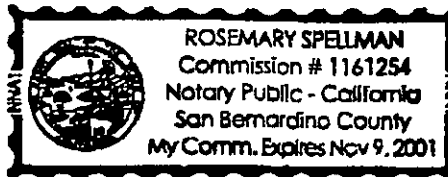


EXHIBIT "A"

LEGAL DESCRIPTION

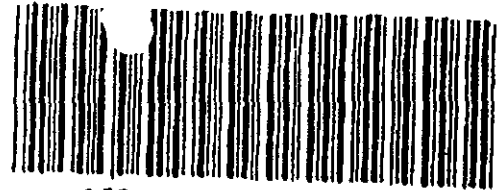
PARCEL NO. 1:

Lots 1 through 27, inclusive, and 30 through 47, inclusive, Tracts B and C, NANTUCKET VILLAGE UNIT 1, according to the plat of record in the office of the County recorder of Maricopa County, Arizona, in Book 457 of Maps, Page 14;

PARCEL NO. 2:

Lots 1,2,3,4,5, and Tract "A", NANTUCKET VILLAGE – UNIT 2, per final plat Recorded in Maricopa County Recorders Office, Arizona, in Book 468, Page 45.

First American Title



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

99-0844421 09/09/99 09:56

TECHNICAL 5 OF 7

AND WHEN RECORDED, MAIL TO.

Kaufman & Broad of Arizona, Inc.
Two Gateway
432 North 44th Street, Suite 100
Phoenix, Arizona 85008-7600

201-900-1251334

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ASSIGNMENT & ASSUMPTION OF DECLARANT'S RIGHTS
UNDER DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR NANTUCKET

This *Assignment & Assumption of Declarant's Rights Under Declaration of Covenants, Conditions and Restrictions* (the "Assignment"), made effective as of the 9th day of September, 1999, is entered into by and between Kaufman and Broad of Arizona, Inc., an Arizona corporation ("K&B") and The Forecast Group, L.P., a California limited partnership ("Forecast"), collectively referred to as the Parties.

RECITALS

- A. On July 10, 1999, Forecast executed a Declaration of Covenants, Conditions and Restrictions for Nantucket (the "Declaration"), which was recorded on 8-31-99, 1999, as Instrument No. 99-0825527 Records of Maricopa County, Arizona. Said Declaration is binding upon all owners of lots within the project known as Nantucket (the "Project"); and
- B. On September 8, 1999, (the "Effective Date") or on such later date that the Parties may later agree, in writing, shall serve as the Effective Date, K&B will acquire from Forecast, all rights and title to certain real property within the Project ("K&B Property") described as follows:

PARCEL NO. 1:

Lots 1 through 27, inclusive, and Lots 30 through 47, inclusive, Tracts B and C, NANTUCKET VILLAGE UNIT 1, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 457 of Maps, Page 14;

PARCEL NO. 2:

Lots 1, 2, 3, 4, 5, and Tract A, NANTUCKET VILLAGE - UNIT 2, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 468 of Maps, Page 45;

- C. In connection with the conveyance of the K&B Property by Forecast to K & B, Forecast now desires to assign to K & B its rights and interests as the "Declarant" under the Declaration as to the K&B Property and K & B desires to assume the obligations of Forecast as the "Declarant" under the Declaration as to the K&B Property.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and promises of the Parties, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

Assignment of Rights as Declarant. On September 8, 1999, (the "Effective Date") or on such later date that the Parties may later agree, in writing, shall serve as the Effective Date, Forecast hereby assigns, sets over and transfers to K & B all rights and interest as the "Declarant" under the Declaration with respect to the K&B Property.

Assumption of Obligations as Declarant. On September 8, 1999, (the "Effective Date") or on such later date that the Parties may later agree, in writing, shall serve as the Effective Date, K&B hereby accepts all of the Declarant's Rights with regard to the K&B Property. As of the Effective Date, K&B assumes those Declarant and Forecast obligations, liabilities, expenses and indemnities of whatsoever nature, whether absolute or contingent, liquidated or unliquidated to the extent arising on or after the Effective Date under the Declaration with regard to the K&B Property ("K&B's Obligations"). K&B does not assume any obligations arising prior to the Effective Date or which do not relate to the K&B Property.

IN WITNESS WHEREOF, Forecast and K & B have executed this document effective as of the date first written above.

"Forecast"

"K&B"

The Forecast Group, L.P., a California limited partnership

Kaufman and Broad of Arizona, Inc., an Arizona corporation

By: Forecast Homes, Inc, a California corporation
Its: General partner

By: _____

Its: _____

By: [Signature]
Its: [Signature]

State of California }
County of San Bernardino } ss.

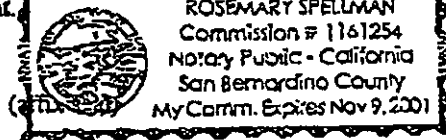
On Sept 8, 1999 before me, Rosemary Spellman (insert name here) Notary Public,
personally Harry R. Day appeared

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me all that he/~~she~~ they executed the same in his/~~her~~ their authorized capacity(ies); and that by his/~~her~~ their signature(s) on the instrument, the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

Signature

[Signature]



Assignment of Rights as Declarant. On September 8, 1999, (the "Effective Date") or on such later date that the Parties may later agree, in writing, shall serve as the Effective Date. Forecast hereby assigns, sets over and transfers to K & B all rights and interest as the "Declarant" under the Declaration with respect to the K&B Property .

Assumption of Obligations as Declarant. On September 8, 1999, (the "Effective Date") or on such later date that the Parties may later agree, in writing, shall serve as the Effective Date. K&B hereby accepts all of the Declarant's Rights with regard to the K&B Property . As of the Effective Date, K&B assumes those Declarant and Forecast obligations, liabilities, expenses and indemnities of whatsoever nature, whether absolute or contingent, liquidated or unliquidated to the extent arising on or after the Effective Date under the Declaration with regard to the K&B Property ("K&B's Obligations"). K&B does not assume any obligations arising prior to the Effective Date or which do not relate to the K&B Property.

IN WITNESS WHEREOF. Forecast and K & B have executed this document effective as of the date first written above.

"Forecast"

" K&B"

The Forecast Group, L P., a California limited partnership

Kaufman and Broad of Arizona, Inc., an Arizona corporation

By: Forecast ' Homes, Inc., a California corporation
Its: General partner

By: Steven Davis

Its: PRESIDENT

By: _____

Its: _____

State of California }
County of _____ } ss.

On _____, before me, _____ (insert name here) Notary Public,
personally appeared

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me all that he/she/they executed the same in his/her their authorized capacity(ies), and that by his/het/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal

Signature _____

(affix seal)

State of Arizona

County of Maricopa

ss.

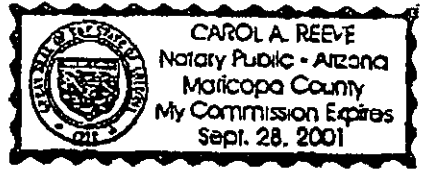
On Sept. 8, 1999 before me, Carol A. Reeve (insert name here) Notary Public,
personally Stewart Davis, President appeared

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me all that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

Signature Carol A. Reeve

(affix seal)



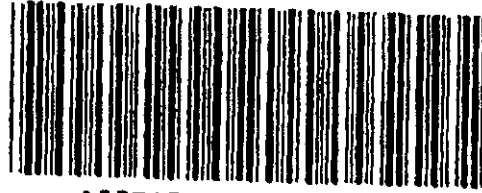
RECORDING REQUESTED BY:
EQUITY TITLE AGENCY

When Recorded Mail To:

EQUITY TITLE AGENCY

301 west Osborn rd. ste# 100
Phoenix, Arizona 85013

METRO



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

99-0825527 08/31/99 05:00

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CAPTION HEADING

*DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS*