

BYLAWS
(Transcript copy)

OF

THE M.P.R. HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is THE M.P.R. HOMEOWNERS ASSOCIATION hereinafter referred to as the "Association". The location of the principal office of the Association shall be as provided in the Articles of Incorporation. 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

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in that certain Declaration of Covenants, Conditions and Restrictions for Mountain Park Ranch, dated April 17, 1984, recorded on May 24, 1984, Instrument No. 84-224539, in the office of the County Recorder of Maricopa County, Arizona (the "Declaration"), as the same may be from time to time amended. The term "Declarant" shall refer to Genstar Development Inc., a New York corporation, doing business as Genstar Southwest Development, and the successors and assigns of Declarant's rights and powers under the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. Each Annual meeting of the members shall be held during the month of October at a date and time selected by the Board of Directors at their first scheduled meeting in the calendar year. (10/21/04)

Section 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 of the Members who are entitled to vote one-fourth (1/4th) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Except as provided in Section 6 below, 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, not less than thirty (30) days nor more than sixty (60) days before such meeting to each member entitled to vote thereat, addressed to the Members 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. (10/21/04)

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10th) of the votes entitled to be cast 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 Members 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.

Section 5. Proxies and Mail Ballots. At all meeting of Members, each Member may vote in person, or by official MPR Mail Ballot returned to the business office by hand delivery, US Postal Service or other courier service or by Proxy. All mail ballots shall be received by the Secretary on or before the date of the scheduled meeting. Any Member whose mail ballot has been received by the Secretary by the meeting date may not vote in person at the meeting. All proxies shall be in writing and filed with the Secretary* at least two (2) business days prior to the date of the scheduled Meeting of the Members. Any proxy received by the Secretary subsequent to such deadline shall be null and void. * Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot or Parcel. If there is any confusion at a meeting of the Members regarding whether a mail ballot or proxy has been received, the Member may vote a "ballot to be verified" which will be sealed in an envelope and counted within one week of the meeting if the Secretary verifies that no mail ballot or proxy was counted. (10/24/02) (10/21/04)

Section 6. Meetings re Assessments. Written notice of any meeting called for the purpose of taking any action authorized under Sections 4 or 5 of Article VII of the Declaration regarding assessments 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, no less than thirty (30) days nor more than sixty (60) days before such meetings, 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 the purpose of the meeting.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors, who must be Members of the Association. The Board shall have the exclusive right of determining the affairs of the Association. The Board shall consist of not less than five (5) nor more than eleven (11) Directors. (10/21/04)

Section 2. Term of Office. The Directors designated in the Articles shall hold office until the first annual election of Directors, which shall take place at the first annual meeting of Members, or until their successors are elected and qualified. At the first annual meeting, the Members shall elect three (3) Directors for a term of two (2) years and two (2) Directors for a term of one (1) year. At each annual meeting thereafter, the Members shall elect Directors to replace those Directors whose terms have expired and all such Director shall be elected for a term of two (2) years. The length of terms may be modified by the Members and the number of Directors may be increased to not more than eleven (11) by the vote of the Members or the Board. In the event of an increase in the number of Directors, the Members, at the first annual meeting after the increase, shall designate the terms for the new directorships. If the new directorships are created and filled by the Board between annual meetings, the newly elected Directors shall serve until the next annual meeting of the Members.

Section 3. Removal and Vacancies. 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 successor shall be selected by the remaining members of the Board and such successor shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association in such capacity. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties as a Director and may receive a salary or wages if he is employed by the Association in a capacity in addition to serving as a Director.

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.

Section 6. Terms Limitation. No Director shall hold office for longer than two (2) successive terms, as prescribed by Section 2. For the purpose of this Section, the holding of office as a Director for any portion of a term, whether by election or appointment, shall be deemed one (1) term. (9/14/00).

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 of the Members. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more persons who are either Members of the Association, officers of a corporate Member, or partners in a partnership Member. The Nominating Committee shall be appointed by the Board of Directors prior to each 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. * Proxy voting by Members shall be governed by Article III, Section 5 of these bylaws.* The persons receiving the largest numbers of votes shall be elected. (* 10/24/02)

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly with three days notice, at such place and hour as may be fixed from time to time by resolution of the Board. The meeting place must be either within the Association boundaries

or no more than 10 miles from the Association boundaries. The meeting hour must be no earlier than 5:30pm and no later than 8pm local time. (10/21/04)

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, with 48 hours notice to each Director. The meeting place must be either within the Association boundaries or no more than 10 miles from the Association boundaries. (10/21/04)

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 a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWER 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, the personal conduct of the Members and their guests thereon, and any other matters contemplated by the Declaration of Articles and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities and other Common Areas of a Member 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 (i) for a period not to exceed sixty (60) days for infraction of the Declaration, a Tract Declaration or the Mountain Park Ranch Rules, and (ii) for successive 60-day periods if any such infraction is not corrected during any prior 60-day suspension 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 Articles 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, independent contractors, or such other employees as they deem necessary and to prescribe the duties of such persons, *provided however, that no Member of the Board of Directors shall be employed as such a manager, be a principal or senior manager of a management company engaged as such a manager, or be the community manager assigned by such management company to the affairs of Mountain Park Ranch. (*9/14/00).

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

- (a) cause to be kept a complete record of all of 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 or Parcel at least thirty (30) days in advance of each annual assessment period; and
 - (2) take such action, as and when the Board deems such action appropriate but after notice as provided in the Declaration, to foreclose the lien against any property for which assessments are not paid and/or to bring action at law against the Member 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 certificates shall be conclusive evidence of such payment, as against any bona fide purchaser of, or lender on, the Lot or Parcel in question;
 - (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 maintenance responsibilities of the Association set forth in the Declaration to be performed.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such 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 annual meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he/she shall be removed or otherwise disqualified to serve. (*10/24/02)

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 the 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 officer replaced.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created by pursuant to Section 4 of this Article.

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

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

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of his absence or inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all 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 perform such other duties as required by the Board.

(d) Treasurer. 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; shall keep proper books of account; shall 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 statement of income and expenditures to be presented to the membership at its regular annual meeting and delivered to the Members.

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint an Architectural Review Committee and a Nominating Committee as provided in the Declaration and these Bylaws. In addition, the Board

of Directors shall appoint other committees as deemed appropriate in carrying out the purpose of the Association.

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 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 Assessments, Special Assessments and Maintenance Charges, which are secured by continuing lien upon the property against which the assessment is made. Any assessments, which are not paid when due, shall be delinquent. If the assessment is not paid on the due date, the assessment shall bear interest, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, as provided in the Declaration. Interests, costs, and reasonable attorney's fees of any such action shall be added to the amount of such Assessment. 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 or Parcel.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumferences the words: THE M.P.R. HOMEOWNERS ASSOCIATION.

ARTICLE XIII

AMENDMENTS

Section 1. Amendments. These Bylaws may be amended in a manner not inconsistent with the Declaration or Articles, at a regular or special meeting of the Members, by a vote or a majority of a quorum of Members present in person or by proxy; provided however, as long as there is a Class B Membership the Federal Housing Administration ("FHA"), the Veterans Administration ("VA"), the Federal National Mortgage Association ("FNMA") or the Federal Home Loan Mortgage Corporation ("FHLMC"), as applicable, shall have the right to veto amendments if the Declaration and these Bylaws have been initially approved by the FHA, VA, FNMA or FHLMC in connection with any loan programs made available by FHA, VA, FNMA, or FHLMC and any loans have been made within Mountain Park Ranch which are insured or guaranteed by FHA, VA, FNMA, or FHLMC.

Section 2. Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in the Bylaws to the contrary notwithstanding, the Board reserves the right to amend all or any part of the Bylaws to such an extent and with such language as may be requested by the FHA, the VA, the FNMA or the FHLMC and to further amend the Bylaws to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of the Bylaws or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot (s) or Parcel (s) or any portions thereof. It is the desire of the Declarant to retain control of the Association and its activities through the Board of Directors during the anticipated period of planning and development of Mountain Park Ranch. If any amendment requested pursuant to the provisions of this Section deletes, diminishes or alters such control, the Board shall have the right to prepare, provide for and adopt as an amendment hereto, other and different control provisions.

ARTICLE XIV

INTERPRETATION

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 XIIV

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 each year, except that the first fiscal year shall begin on the date of incorporation of the Association and shall end on the 31st day of December thereafter.

DATED April 17, 1984.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of THE M.P.R. HOMEOWNERS ASSOCIATION, an Arizona non-profit corporation, and, THAT the foregoing Bylaws constitute a transcript copy of the Bylaws of said Association, as adopted by unanimous written consent of the Board of Directors thereof, on the 27th day of November 1984 and subsequently amended.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this _____ day of _____, 2004.

Secretary

(SEAL)