

BYLAWS
OF
FIREROCK RIDGE
PROPERTY OWNERS ASSOCIATION. INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is **FIREROCK** RIDGE PROPERTY OWNERS ASSOCIATION, INC. (the "**Association**"). The location of the principal office of the Association shall be as provided in the Articles of Incorporation (the "**Articles**"). Meetings of members of the Association ("**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 (the "**Board**").

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 Reservations for **FireRock** Ridge, recorded in the Office of the County Recorder of **Maricopa** Arizona on January 29, 1993 as Document No. 93-0057022, as the same may be amended **from** time to time (the "**Declaration**"), unless otherwise defined herein. The term "**Declarant**" shall refer to MCO Properties Inc., a Delaware corporation and the successors and assigns of **Declarant's** rights and powers under the Declaration.

ARTICLE III

MEMBERSHIP AND VOTING

Section 1. Owners of Lots. Each and every owner of a Lot which is subject to assessment shall be a Member, on the basis of one membership for each Lot owned by the Member. Memberships shall be shared by any joint owners of, or owners of undivided interests in, a Lot. No fractional Memberships shall be allowed. Each such Membership in the Association shall be appurtenant to and may not be separated from the Lot.

Section 2. Declarant. The Declarant shall be a Member of the Association for so long as it either (a) holds Class B membership pursuant to Section 3 below or (b) owns any Lot.

Section 3. Voting. The Association shall have two (2) classes of voting Membership:

Class A: Class A Membership shall be all Memberships excluding the Class B Memberships held by the Declarant, and each owner shall be entitled to one (1) vote for each Class A Membership held by the owner, subject to the authority of the Board to suspend the voting rights of the owner for violations of the Declaration in accordance with the provisions hereof and of the Declaration.

Class B: The Class B Memberships shall be held by the Declarant, and shall entitle Declarant to three (3) votes for each Class B Membership. The Class B Memberships shall cease and be converted to Class A Memberships on the happening of the earliest of the following events:

(a) When Declarant no longer owns property in **FireRock Ridge**;

(b) December 31, 2008; or

(c) When Declarant notifies the Association in writing that it relinquishes its Class B votes.

On the date the Class B votes terminate, if full time employees of Declarant constitute a majority of members of the Board, Declarant shall cause one or more of such members to resign so that the remaining percentage of members who are employees of the Declarant do not constitute a majority.

Section 4. Right to Vote. No change in the ownership of a membership shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each such membership must be cast as a unit, and fractional votes shall not be allowed. In the event that a membership is owned by more than one (1) person or entity and such owners are unable to agree among themselves as to how their vote or votes shall be cast, the Board at its discretion may cause the vote to be cancelled until the owners resolve their dispute. If any Member casts a vote representing his membership, it thereafter shall be conclusively presumed for all purposes that such Member was acting with the authority and consent of all other owners of the same membership unless objection thereto is made at the time the vote is cast. In the event more than one (1) vote is cast for a particular membership, none of such votes shall be counted and all such votes

shall be deemed void. Assessment Exempt Lots shall not be entitled to vote.

Section 5. Cumulative Voting for Board Members. In any election of the members of the Board, every owner of a membership entitled to vote at such an election shall have the number of votes for each membership equal to the number of directors to be elected, except that the Class B Member shall have the number of votes designated in Section 3 above times the number of directors to be elected. Each Member shall have the right to cumulate his votes for one (1) candidate or to divide such votes among any number of the candidates. The candidates receiving the highest number of votes, up to the number of the Board members to be elected, shall be deemed elected.

Section 6. Membership Rights. Each Member shall have the rights, duties and obligations set forth in the Declaration and such other rights, duties and obligations as are set forth in the Articles and these Bylaws, as the same may be amended from time to time.

Section 7. Transfer of Membership. The rights and obligations of the Owner of a Lot having Class A membership in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership to an owner's Lot, and then only to the transferee of ownership to the Lot. A transfer of ownership to a Lot may be effected by deed, intestate succession, testamentary disposition, foreclosure of a mortgage of record, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to a Lot shall operate to transfer the membership appurtenant to said Lot to the new Owner thereof.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year after the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on a date and at a time as determined by the Board. 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 thereafter which is not a legal holiday.

Section 2. Special Meetings. Special Meetings of the Members may be called at any time by the President or by the Board, or upon written request of the Members who are entitled to vote at least ten percent (10%) 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, 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 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, and/or proxies entitled to cast, sixty percent (60%) of the votes (exclusive of suspended voting rights) of each class of membership shall constitute a quorum for any action except as otherwise provided in the Declaration, the Articles, 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 and reschedule the meeting as provided in the Declaration.

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 not less than two (2) days prior to the meeting. Every proxy shall be revocable and automatically shall cease upon conveyance by a Member of such Member's Lot.

Section 6. Procedure. Robert's Rules of Order (latest edition) shall govern the conduct of the **Association's** meetings when not in conflict with the Declaration, the Articles, or these Bylaws.

ARTICLE V

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a board of directors, who need not be Members of the Association. The Board shall have the exclusive right of determining the affairs of the Association. The Board shall consist initially of three members ("**Directors**") to be appointed by the Declarant. The Board shall consist of not less than three nor more than seven Directors.

Section 2. Term of Office. The initial Directors appointed by the Declarant shall hold office through the first annual meeting of the Association. At the first annual meeting, Members shall elect one Director for an initial term of three years, one for an initial term of two years and one for an initial term of one year. All subsequent terms shall be for three years and individuals shall be elected to those terms according to rules established in this Declaration and in the **Association's** Bylaws. If a Director resigns or otherwise vacates his office, the remaining Directors, if there are at least two, shall appoint a replacement for the remainder of the original term of the vacating Director. If vacancies leave fewer than two Directors, a special election shall be held within 10 days after the date of the creation of the vacancy which left fewer than two Directors. The election shall be conducted according to voting rules established herein and new Directors shall be elected to fill the unexpired terms of those resigning or otherwise vacating. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association.

Section 3. Compensation. No Director shall receive compensation for any service he may render to the Association in the capacity of Director. 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 4. 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 VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board shall be made by a nominating committee. Nominations also may 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, and two or more persons who are either Members of the Association, officers of a corporate Member, or partners in a partnership Member. The initial nominating committee shall be appointed by the Board at least ninety (90) days prior to the first annual meeting to serve until the close of the first annual meeting. Thereafter, the nominating committee shall be appointed by the Board 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 as it shall in its discretion determine, but not less than the number of vacancies which are to be filled. Persons nominated for the position of director need not be Members of the Association.

Section 2. Election. Election to the Board 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.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 1. Regular Meetinss. Regular meetings of the Board shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution by the Board. If the date for such meeting falls upon a legal holiday, it shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetinas. Special meetings of the Board 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 a **quorum** is present or by written approval of all the Directors in the absence of a meeting, shall be regarded as the act of the Board.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board shall have power to:

(a) adopt and publish rules and regulations governing the use of the common areas, the personal conduct of the Members, tenants, residents, and their guests thereon, and any other matters contemplated by the Declaration and Articles, and to establish penalties for infractions thereof;

(b) suspend the voting rights of a Member and/or the Member's right to use all or any portion of the common areas 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 for (1) a period not to exceed sixty (60) days for non-monetary infractions of the Declaration, or rules and regulations adopted by the Board and (2) for successive sixty (60) day periods if any such infraction is not corrected during any prior sixty (60) day suspension period; provided, however, that no such suspension may be made toward restricting the use of the common areas which would prevent the use and enjoyment of the Member's Lot or restrict his access thereto or parking rights;

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

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

(e) employ a manager, independent contractors, or such other employees as they deem necessary and to prescribe the duties of such persons.

Section 2. Duties. It shall be the duty of the Board 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 at least ten percent (10%) of the Class A Members who are entitled to vote;

(b) supervise all officers, agents and employees of the 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 regular assessment against each Lot at least thirty (30) days in advance of January 1 of each year; 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 Lot for which assessments are not paid and/or to bring an action at law against the Member personally obligated to pay the same;

(d) issue or 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 such 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 in question;

(e) procure and maintain adequate liability and hazard insurance on the common areas;

(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 IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President, who shall at all times be a member of the Board, a Secretary, and a Treasurer, and such other officers as the Board may from time to time create by resolution.

Section 2. Election of officers. The election of officers shall take place at the first meeting of the Board 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 or she **shall** be removed or otherwise disqualified to serve, or unless elected for a time period specified to be different than one year.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall (i) hold office for such period, (ii) have such authority, and (iii) 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 replaced.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. Other than for these two (2) offices, no person simultaneously shall hold more than two (2) offices except in the case of special offices created 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; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall co-sign all checks and promissory notes.

(b) Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; 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.

(c) 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; 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.

(d) Delesation: The Board may delegate the duties listed above or other duties to a manager or managing agent, or other person; however, such delegation shall not relieve any member of the Board of his responsibility for such duties.

ARTICLE X

COMMITTEES

The Board shall appoint a nominating **committee** as provided in these Bylaws. In addition, the Board shall appoint such other committees as they deem appropriate in carrying out the purposes of the Association.

ARTICLE XI

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 XII

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association, regular assessments, special assessments and maintenance assessments which are secured by a continuing lien upon the Lot 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 Lot, as provided in the Declaration. Interest, 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 virtue of such owner's nonuse of the common areas or abandonment of his Lot.

ARTICLE XIII

AMENDMENTS

Section 1. Amendment BY Vote of Members. These Bylaws may be amended in a manner not inconsistent with the Declaration and the Articles, at a regular or special meeting of the Members, by a vote not less than seventy-five percent (75%) of Members present in person or by proxy, and in the case of a material

provision hereof, the approval of at least seventy-five percent (75%) of all federally chartered lending institutions holding liens on Lots; provided, however, the Federal Housing Administration ("FHA") or the Veterans Administration ("VA"), as applicable, shall have the right to veto amendments while there is a Class B membership if the Declaration and these Bylaws have initially been approved by the FHA or VA in connection with any loan programs made available by FHA or VA and any loans have been made within **FireRock Ridge** which are insured or guaranteed by FHA or VA.

Section 2. Amendment If Requested by Outside Agencies.

Notwithstanding the above, the Board reserves the right to amend all or any part of these Bylaws to such an extent and with such language as may be requested by the FHA, the VA or 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. It is the desire of the Declarant to retain control of the Association and its activities through the Board during the anticipated period of planning and development of Final Plat 415 until the Class B Membership ceases pursuant to the Declaration. 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

NTE 'RETATION

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

ARTICLE XV

NON-LIABILITY


The Board, officers of the Association, and Declarant shall not be liable in damages to any owner of property affected by the Declaration by reason of mistake in judgment, negligence, or nonfeasance arising out of the exercise of their rights, or performance of their duties called for under the Declaration, these Bylaws or the Articles, and every owner of such property agrees that he will not bring any action or suit against the Board, officers of the Association or Declarant to recover any such damages.

ARTICLE XVI

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 MARCH 11, 1993.



Greg Bielli



Charles Clark



Carol Capriotti

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of **FIREROCK RIDGE PROPERTY OWNERS ASSOCIATION, INC.**, an Arizona nonprofit corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as adopted by unanimous **written consent of the** Board of Directors thereof, as of MARCH 11, 1993.

IN WITNESS WHEREOF, I have hereunto subscribed my name
MARCH 11, 1993.


Secretary

(Seal)

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of **FIREROCK RIDGE PROPERTY OWNERS ASSOCIATION, INC.**, an Arizona nonprofit corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as adopted by unanimous **written** consent of the Board of Directors thereof, as of March 11, 1993.

IN WITNESS WHEREOF, I have hereunto subscribed my name
March 11, 1993.

Charles Capinatti
Secretary

(Seal)

Amendment A
BYLAWS
OF
FIREROCK RIDGE PROPERTY OWNERS ASSOCIATION

The following amendment was duly adopted by the Board of Directors of FireRock Ridge POA at a meeting duly held on March 6, 2012.

4.4 **Quorum** The presence at the meeting of Members entitled to cast, and/or proxies entitled to cast, ~~sixty percent (60%)~~ twenty-five percent (25%) of votes (exclusive of suspended voting rights) of each class of membership shall constitute a quorum for any action except as otherwise provided in the Declaration, the Articles, 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 and reschedule the meeting as provided in the Declaration.