

**BY-LAWS
OF
CAMPO VERDE
HOMEOWNERS' ASSOCIATION**

ARTICLE I

GENERAL PROVISIONS

1.1 Principal Office. The principal office of this corporation shall be located at the place as is designated in the Articles of Incorporation or such other place as the Association may designate from time to time in accordance with the Arizona statutes governing nonprofit corporations, but meetings of Members and directors may be held at such other place within the State of Arizona, County of Maricopa as may be designated by the Board of Directors.

1.2 Defined Terms. Capitalized terms used in these By-Laws without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions, Restrictions and Easements for Campo Verde dated June 30, 2004 and recorded at Recording Number 20040754080 in the office of the County Recorder of Maricopa County, Arizona, on June 30, 2004, inclusive.

1.3 Conflicting Provisions. In the case of any conflict between the Articles and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

1.4 Corporate Seal. The Association may have a seal in a form approved by the Board.

1.5 Designation of Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of the incorporation of the Association and shall end on the 31 day of December thereafter.

1.6 Books and Records. The books, records and papers of the Association shall be available for inspection by any Member during reasonable business hours. The Declaration, Association Rules, these By-Laws and the Articles, and any and all amendments thereof or of any of them (herein, collectively, the "Project Documents") shall be available for inspection by any Member during reasonable business hours at the principal office of the Association (or at the managing agent's office), where copies may be purchased at reasonable cost.

1.7 Amendment.

1.7.1 These By-Laws may be amended by majority vote of the Board of Directors, or by a vote of a majority of a quorum of members present in person or by proxy at a regular or special meeting of the members.

1.7.2 The Board, without a vote of the Members, may amend these By-Laws in order to conform these By-Laws to the requirements or guidelines ("Requirements") of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration ("FHA"), the Veterans Administration ("VA") or any federal, state or local governmental agency whose approval of the Plat or the Project Documents is required by law or requested by the Declarant or the Board.

1.7.3 So long as there is a Class B Membership in the Association, and approval of the FHA or VA of the Plat or the Project Documents has been requested, then any amendment of these By-Laws must be approved by the VA or FHA to the extent required by the Requirements.

1.8 Indemnification. To the extent it has the power to do so under the Arizona Nonprofit Corporation Act, A.R.S. §10-3850, *et seq.*, the Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Association, by reason of the fact that he is or was a Member, director, officer, employee or agent of the Association or is or was serving at the request of the Association as a member, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, and against judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted, or failed to act, in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Indemnification of any such person shall be made in accordance with the procedures set forth in the Arizona Nonprofit Corporation Act.

ARTICLE II

MEETINGS OF MEMBERS

2.1 Annual Meeting. An annual meeting of the Members of the Association shall be held at least once every twelve (12) months at such time and place as is determined by the Board.

2.2 Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board or upon written request signed by Members having at least one-tenth (1/10) of the total authorized votes in the Association.

2.3 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 each notice, at least fifteen (15) 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. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place of the meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Association may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each Member entitled to vote at the meeting. By attending a meeting, a Member waives any right he may have had to object to the meeting on the basis that the proper notice of the meeting was not given in accordance with these By-Laws or the statutes of the State of Arizona.

2.4 Quorum. Except as otherwise provided in the Project Documents, the presence of the Declarant at the meeting, or the presence of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of all of the total authorized votes in the Association (exclusive of those Members whose voting rights are suspended) shall constitute a quorum for any action, except as otherwise provided in the Project Documents. If a quorum shall not be present at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

2.5 Proxies. At all meetings of the Members, each member may vote in person or by proxy. A proxy may be granted by any Member in favor of only another Member, the secretary of the Association, the Declarant, or the Member's mortgagee, or in the case of a non-resident Member, the lessee of such Member's Lot, his attorney or managing agent. A proxy shall be duly executed in writing and it shall be valid only for the particular meeting designated in the proxy. All proxies must be filed with the secretary prior to the commencement of the meeting for which the proxy is given. The proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of a notice of revocation signed by the Member who granted the proxy. No proxy shall be valid after twenty-five months from the date of its execution.

ARTICLE III

BOARD OF DIRECTORS

3.1 Number. The affairs of this Association shall be managed by a board of three (3) directors. So long as there is a Class B Membership in the Association, the directors need not be Members of the Association and the Declarant shall have the right to appoint all such directors. After the termination of the Class B Membership, all directors must be Members of the Association and shall be elected by the voting Members. The Board may increase the number of directors on the Board but the number of directors must always be an odd number and shall not exceed nine (9) directors.

3.2 Term of Office. The initial members of the Board shall hold office until the first annual meeting of the Members and until their successors are elected and qualified. At the first annual meeting of the Members, all directors shall be elected to staggered terms, with one (1) Director elected to a one (1) year term, one (1) Director elected to a two (2) year term, and one (1) Director elected to a three (3) year term.

3.3 Removal and Vacancies. At any annual or special meeting of the Members duly called, any one or more of the Members of the Board may be removed from the Board with or without cause by Members having more than fifty percent (50%) of the votes entitled to be cast by the Members present in person or by proxy at the meeting. In the event of the 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.

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

3.5 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 consent of all the directors. Any such written consent shall be filed with the minutes of the proceedings of the Board.

3.6 Meetings.

3.6.1 Meetings of the Board, regular or special, shall be held at least annually and may be held by means of conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation at such meeting shall constitute presence in person at the meeting.

3.6.2 Regular meetings of the Board may be held with or without notice at such time and place as is determined from time to time by the Board.

3.6.3 Special meetings of the Board shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) business days notice to each director, given in writing, by hand delivery, mail or telegraph, which notice shall state the time, place and purpose of the meeting.

3.6.4 Attendance of a director at a meeting shall constitute a waiver of notice of such meeting except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

3.7 Quorum. A majority of the 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.

3.9 Powers and Duties. The Board shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by other provisions of the Project Documents not specifically reserved to the Members. In addition to the duties imposed by these By-Laws or by any resolution of the Members that may hereafter be adopted, the Board shall have the following powers and duties, subject, however, to any limitations or contrary provisions of the Declaration or Articles:

3.9.1 Open bank accounts on behalf of the Association and designate the signatories thereon;

3.9.2 Make, or contract for the making, of repairs, additions to, improvements to or alterations of the Common Area, in accordance with the Project Documents, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

3.9.3 In the exercise of its discretion, enforce by legal means the provisions of the Project Documents;

3.9.4 Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair, replacement of the Common Area and provide services for the members, and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;

3.9.5 Provide for the operation, care, upkeep and maintenance of all of the Common Area and borrow money on behalf of the Association when required in

connection with any one instance relating to the operation, upkeep and maintenance for the Common Area; provided, however, the consent of Members, excluding Declarant, having at least two-thirds (2/3) of the total votes in the Association shall be obtained either in writing or at a meeting called and held for such purpose in accordance with the provisions of these By-Laws in order for the Association to mortgage;

3.9.6 Prepare and adopt an annual budget for the Association prior to the commencement of each fiscal year;

3.9.7 Adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of the Members and their family Members, guests, lessees and invitees thereon and establish penalties for the infraction thereof;

3.9.8. Suspend the voting rights and the right to use of the Common Area of a Member during any period in which any Assessment against such Member's Lot remains delinquent; for a period not to exceed sixty (60) days for any infraction of the Project Documents, and for successive sixty (60) day periods if any such infraction is not corrected during any prior sixty (60) day suspension period;

3.9.9. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of the Project Documents;

3.9.10. 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;

3.9.11. Employ, hire and dismiss such employees as they deem necessary, and to prescribe their duties and their compensation;

3.9.12. 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 any Member entitled to vote;

3.9.13. Supervise all officers, agents and employees of the Association and see that their duties are properly performed;

3.9.14 Appoint committees as deemed appropriate in carrying out the purpose of the Association;

3.9.15. Levy, collect and enforce the payment of assessments in accordance with the provisions of the Declaration;

3.9.16. Issue, or cause an appropriate officer to issue upon demand to 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;

3.9.17. Procure and maintain adequate property, liability and other insurance as required by the Declaration;

3.9.18. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and set forth in the Declaration; and

3.9.19. Cause the Common Area to be maintained as more fully set forth in the Declaration.

3.9.20. Cause the Association to perform all of its duties as established pursuant to the terms of the Articles or the Declaration.

3.10. Managing Agent. The Board may employ for the Association and the Project a "Managing Agent" at a compensation established by the Board. The Managing Agent shall perform such duties and services as the Board shall authorize, including, but not limited to, all of the duties listed in the Project Documents except for such duties and services that under said documents may not be delegated to the Managing Agent. The Board may delegate to the Managing Agent all of the powers granted to the Board or the officers of the Association by the Project Documents other than the power (i) to adopt the annual budget, any amendment thereto or to levy Assessments; (ii) to adopt, repeal or amend Association Rules; (ii) to designate signatories on Association bank accounts; (iv) to borrow money on behalf of the Association; and (v) to acquire real property.

ARTICLE IV

OFFICERS AND THEIR DUTIES

4.1. Enumeration of Officers. 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 by resolution create.

4.2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

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

4.4. 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.

4.5. 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.

4.6. 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 he replaces.

4.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than (1) of any of the other offices except in the case of special offices created pursuant to Section 4.4 of this Article.

4.8. Powers and Duties. To the extent such powers and duties are not assigned or delegated to a manager pursuant to Section 3.10 of these By-Laws, the powers and duties of the officers shall be as follows:

4.8.1. President. The president shall be the chief executive officer of the Association, shall preside in all meetings of the Board or the Members; shall see that orders and resolutions of the Board are carried into effect, and have general and active management of the business of the Association;

4.8.2. 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, serviced 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; and

4.8.3. Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, disburse such funds for appropriate Association purposes as set forth in the Project Documents; keep proper books of account, 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; and in general perform all the duties incident to the office of treasurer. Some or all of the duties of the treasurer may be delegated to any management agent from time to time engaged by the Association.

4.8.4. Delegation. The Board may delegate the duties listed above or other duties to a manager or managing agent, or other; however, such delegation shall not relieve any member of the Board of his responsibility for such duties.

ARTICLE V

ADOPTION BY DIRECTORS

These By-Laws were adopted by unanimous vote of the three Directors of the Corporation on the ____ day of _____, 2004.

DATED this ____ day of _____, 2004.

Scott Keeffe, Director

Allison Polivka, Director

Roger Zetah, Director

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Campo Verde Homeowners' Association, an Arizona nonprofit corporation, and,

That the foregoing By-Laws constitute the original By-Laws of said Association, as adopted by unanimous written consent of the Board of Directors thereof, on the ____ day of _____, 2004.

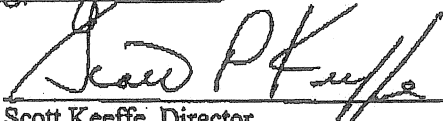
IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of _____, 2004.

Roger Zetah, Secretary

ADOPTION BY DIRECTORS

These By-Laws were adopted by unanimous vote of the three Directors of the Corporation on the 23rd day of July, 2004.


DATED this 23rd day of July, 2004.



Scott Keffe, Director



Arison Polivka, Director



Roger Zetah, Director

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Campo Verde Homeowners' Association, an Arizona nonprofit corporation, and,

That the foregoing By-Laws constitute the original By-Laws of said Association, as adopted by unanimous written consent of the Board of Directors thereof, on the 23rd day of July, 2004.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 23rd day of July, 2004.



Roger Zetah, Secretary