

BY-LAWS of
CASA REAL HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION. The name of the corporation is CASA REAL HOMEOWNERS ASSOCIATION hereinafter referred to as the "Association." The principal office of the corporation shall be located at Tucson, Arizona, but meetings of members and directors may be held at such places within the State of Arizona, County of Pima, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to CASA REAL HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, 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.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties 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 Lot which is a part of the Properties, including contract, sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant." shall mean and refer to PIONEER TRUST COMPANY OF ARIZONA, UNDER TRUST 11, 208 its successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Recorder, Pima County, Arizona.

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

Section 9. "Mortgage" shall mean any mortgage, deed of trust or other security instrument by which a dwelling unit or any part thereof is encumbered and the term "first mortgagee" means the holder of any mortgage under which the interest of any owner of a dwelling unit is encumbered and which mortgage has first and paramount priority, subject only to the lien of general or ad valorem taxes and assessments.

ARTICLE 111

MEETING OF MEMBERS

Section 1 Annual Meetings. The first annual meeting of the members shall be held within one (1) year from 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 11:00 o'clock. a.m. If the day for the annual meeting of the members is a legal holiday, the meeting held at the same hour on the first day following 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 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 fifteen (15) days before such meeting to each member entitled to vote there at 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 By-Laws. If however such quorum shall not be present or represented at any meeting the members entitled to vote there at shall have the 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 represented.

Section 5. Proxies. At all meeting 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 lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by not less three (3) nor more than nine (9) directors, who must be members of the Association.

Section 2. Term of Office. At the first annual meeting following the expiration of the term of the first Board of Directors, (as designated in the restated Articles of Incorporation) the members shall elect a Board of Directors to be divided into three classes, as nearly equal in number as may be, the term of office of those of the first class to expire at the first annual meeting of Members after their election, the term of office of those of the second class to expire at the second annual meeting of Members after their election and the term of office of those of the third class to expire at the third annual meeting of Members after their election. At each annual election of Directors held after the classification and election described in the preceding paragraph. Directors chose to succeed those who terms expire shall be elected for a term of office to expire at the third annual meeting of members after their election. The manner of electing Directors may be changed by an amendment to the By-Laws.

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 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 may render to the Association. However, any director maybe 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 shall 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 are to be filled. Such nominations may be made from among 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.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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 a 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 the power to:

- (a) adopt and publish rules and regulations governing the use of 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 the recreational facilities of a member during any period in which such member shall be in default in payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.

- (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 By-laws, the Articles 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, provided, however, that, any agreement for professional management of the subdivision, or any other contract providing for services of the declarant shall not exceed three (3) years. Any such agreement shall provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

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 or which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay the same, provided, however, that each first mortgagee shall, upon notice to the Association, be entitled to a written notification from the Association of any default in the performance by the owner of a dwelling unit encumbered by the mortgage in favor of such mortgagee of an obligation under the Declaration or under the Articles of Incorporation, By-laws, Rules and Regulations of the Association which is not cured within sixty (60) days.

- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment had been paid. A reasonable charge may be made by the Board for issuance of these certificates. If a certificate states and assessment has been paid, such certificates shall be conclusive evidence of such payment.
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association, provided, however, nothing in these By-laws shall in any manner be deemed to give a dwelling unit owner, or any other party, priority over any rights of first mortgage of a dwelling unit pursuant to the terms of such first mortgagee's mortgage in case of a distribution to a dwelling unit owner of insurance proceeds or condemnation awards for losses or a taking of Common Areas or other common property owned by the Association.
- (f) cause all officers or employees having fiscal responsibilities to be bonded.
- (g) cause the Common Area to be maintained, provided, however, first mortgagees shall be granted the right to jointly, or singly pay taxes or other charges, which are in default and which may or have become a charge against any common area or other common property owned by the Association, and such first mortgagees may, jointly or singly, pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Areas or common property and any first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and a 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 meeting of the Board of directors following each annual meeting.

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 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 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 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 he replaces.

Section 7. Multiple Officers. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other 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:

President

- (a) 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.

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 represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. 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 and 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 By-Laws 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. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eight (8%) percent per annum, and the Association may bring an action at the law against the Owner personally obligated to pay the same or foreclose the lien against the property, shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his Lot.

Also, the Board of Directors of the Association shall provide the Association dues, charges, or assessments shall include an adequate reserve fund for maintenance, repairs and replacement of those elements of the Common Areas and common property owned by the Association that must be replaced on a periodic basis. All such dues, charges and assessments imposed by the Association shall be paid on a periodic basis in regular installments rather than by special assessments.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words;
CASA REAL HOMEOWNERS ASSOCIATION

ARTICLE XIII

AMMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that (i) the Federal Housing Administration or the Veterans Administration shall have right to veto amendments while there is Class B membership, and (ii) so long as the Federal Home Loan Mortgage Corporation shall be the holder of any first mortgage, at least two-thirds (2/3) of the first mortgagee's (based on one vote for each first mortgage owned or held) shall have given their prior written approval.

Section 2. In the event of any conflict or inconsistency between the provisions of these By-Laws and the Declaration, or with the Rules, Regulations and Requirements of the Federal Home Loan Mortgage Corporation, the terms and provisions of the Declaration and the Rules, Regulations, and Requirements of the Federal Home Loan Corporation, shall prevail and supersede such conflicting or inconsistent provisions of these By-Laws. Neither the Association nor the Board of Directors, nor any agent employee shall be authorized or empowered to take any action inconsistent with the provisions of the above referenced Declaration.

ARTICLE XIV

MISCELLANEOUS

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

IN WITNESS WHEREOF, I, being the President of the CASA REAL HOMEOWNERS ASSOCIATION, have hereunto set out hands this 1st day of Sept. 19, 1979

Signed by Peter D. Herder

These restated By-Laws were adopted at a duly called meeting of Members held on the 19th day of September 1979 at East Broadway, Tucson, Arizona.

Signed by Peter D. Herder