

**BYLAWS  
OF  
RANCHO ABREGO  
HOMEOWNERS ASSOCIATION**

The Directors of RANCHO ABREGO Homeowners Association (the "Association"), constituting all of the Association's Directors, hereby adopt the following Bylaws.

**ARTICLE I  
NAME AND LOCATION**

The name of the corporation is RANCHO ABREGO Homeowners Association hereinafter referred to as the "Association". The principal office of the corporation shall be located at c/o Cadden Community Management, 1870 West Prince Road, Suite #47, Tucson, AZ 85705, but the principal office may be changed and meetings of Members and Directors may be held at such places within the State of Arizona, as may be designated by the Board of Directors.

**ARTICLE II  
DEFINITIONS**

"Association" shall mean and refer to RANCHO ABREGO Homeowners Association, Inc., an Arizona nonprofit corporation, its successors and assigns.

"Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

"Declarants" shall mean and refer to First American Title Insurance Company, Inc., as Trustee under Trust No. 4984, Stewart Title & Trust of Tucson, as Trustee under Trust No. 3604 and First American Title Insurance Company, Inc., as Trustee under Trust No. 4938, and each of their successors and assigns.

"Declaration" shall mean and refer to the Covenants, Conditions, Restrictions and Easements for LA JOYA VERDE III, recorded at docket 57, pages 77-79, in the Office of the Pima County Recorder, State of Arizona, as same may be amended.

"Exclusive Voting Rights" shall mean the exclusive voting rights reserved to the Declarants pursuant to § 7.3 of the Declaration.

"Lot" shall mean and refer to Lots shown on the Subdivision Plats for LA JOYA VERDE III Subdivision recorded at Book 57 Page 77, Book 57 Page 78, and Book 57

Page 79 in the office of the Pima County Recorder and upon any amended Plat(s) or recorded subdivision map(s) of the Property, with the exception of the Common Area(s). "Lot" shall include Lots later annexed in accordance with the Declaration.

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

"Owner" shall mean the record holder of legal title to the fee simple interest in any Lot or Parcel or in the case of a recorded "contract" (as that term is defined in A.R.S. §33-741(2)), the holder of record, of the purchaser's or vendee's interest under said contract, but excluding others who hold such title merely as security. If fee simple title to a Lot or Parcel is vested of record in a trustee pursuant to A.R.S. §33-801 et seq., for purposes of this Declaration legal title shall be deemed to be held by the trustor (or the trustor's successor of record), and not by the trustee. An Owner shall include any person who holds record title to a Lot or Parcel in joint ownership or as an undivided fee interest.

"Property" shall mean and refer to that certain real property described in the Declaration, and real property annexed into such Declaration after the date of the Declaration as permitted therein.

### ARTICLE III MEETING OF MEMBERS

Section 3.1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the month of April of each year, unless changed by the Board of Directors.

Section 3.2. Special Meetings. Special meetings of the Members may be called at any time by the President, by a majority of the Board of Directors, by Declarant, or upon written request of the Members who are entitled to vote one-tenth (1/10) of all of the votes.

Section 3.3. Notice of Meetings. Unless otherwise required by the Declaration, 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 but not more than thirty (30) days before such meeting to each Member entitled to vote thereafter, 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. Pursuant to Section 8.5 of the Declaration, notice of a special meeting in which an agenda item includes a vote on a Special Assessment, shall be sent to all Owners not less than thirty (30) nor more than sixty (60) days in advance of such meeting. Each 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 3.4. 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 (including the requirements of Section 8.6 of the Declaration pertaining to a quorum required for a special meeting pertaining to a Special Assessment). 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 3.5. 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 Lot.

#### ARTICLE IV BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 4.1. Number and Term of Office. A Board of Directors shall manage the affairs of this Association. The initial Board of Directors and each Board of Directors thereafter prior to the expiration of the Declarants exclusive voting rights shall consist of three (3) Members or other persons, and Declarant shall have the right to appoint all such directors. Commencing with the first annual meeting of the Members after the expiration of the Declarants exclusive voting rights, the Board of Directors shall consist of, and the voting Members shall elect, seven (7) Directors, all of whom must be Members (or an individual designated by a corporate, partnership or other non-individual Member). The foregoing reference to seven (7) Directors shall be subject to increase in the number of Directors at the election of the Board of Directors. The term of each of the Directors shall be for one (1) year until the expiration of the Declarants exclusive voting rights. Thereafter the initial terms shall be four (4) Directors for a one

(1)-year term and three (3) Directors for a two (2)-year term, thus establishing a staggered Board of Directors. In succeeding years, all directors shall be elected for a two (2)-year term. The Board of Directors may appoint various committees at its discretion. The Board of Directors may also appoint or engage a manager to be responsible for the day-to-day operation of the Association and the Common Areas. The Board of Directors shall determine the compensation to be paid to the manager, which may include transfer fees from certain property transactions

Section 4.2. Removal. Any director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members of the Association, except that the Declarants shall each appoint one director until the expiration of the Declarants exclusive voting rights as provided in the Declaration, and no director may be removed without Declarants unanimous consent during such time. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor.

Section 4.3. 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.

Section 4.4. 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 V NOMINATION AND ELECTION OF DIRECTORS

Section 5.1. Nomination. After the expiration of the Declarants exclusive voting rights, a Nominating Committee shall make nomination for election to the Board of Directors, and 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.

Section 5.2. 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.

Section 5.3. Right of Appointment. Notwithstanding the above, the Directors shall, prior to the expiration of the Declarants exclusive voting rights, be nominated, appointed or removed solely by the Declarant.

#### ARTICLE VI MEETINGS OF DIRECTORS

Section 6.1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Should said meeting fall upon a legal holiday or Sunday, then that meeting shall be held at the same time on the next day which is not a legal holiday or Sunday.

Section 6.2. 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 one (1) day notice to each director.

Section 6.3. 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 of Directors.

#### ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1. Powers. In addition to all other 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 the right to use of the recreational facilities 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 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 Bylaws, 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.

(f) grant easements over, across or under the Common Areas for public utilities, ingress, egress and the Board of Directors may deem such other purposes as advisable; and

(g) appoint and remove members of the Architectural and Landscaping Review Committee.

Section 7.2. Duties. It shall be the duty of the Board of Directors to:

(a) 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 the due date or to bring an action at law against the Owner personally obligated to pay the same, provided same is cost effective in the sole discretion of the Board of Directors.

(b) 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. The Board of Directors for the issuance of these certificates may make a reasonable charge. If a certificate states an assessment has been paid, such certificate shall be

conclusive evidence of such payment;

(c) procure and maintain liability and hazard insurance on property owned by the Association in amounts determined by the Board of Directors in their sole discretion;

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

(e) cause the Common Area to be maintained ; and

(f) to perform other duties required of the Board by the Declaration.

## ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 8.1. 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 of Directors may from time to time by resolution create. At the discretion of the Board of Directors, the same person may hold more than one office, although the same person shall not act as both President and Secretary.

Section 8.2. 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.

Section 8.3. Term. The Board of Directors shall elect the officers of this Association annually and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 8.4. Special Appointments. The Board of Directors 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 of Directors may, from time to time, determine.

Section 8.5. Resignation and Removal. The Board of Directors may remove any officer from office with or without cause. Any officer may resign at any time by giving written notice to the Board of Directors, 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 8.6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 8.7. Multiple Offices. Different people shall hold the offices of secretary and president. Other offices may be held by the same person.

Section 8.8. 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 of Directors are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes, if a co-signature requirement is imposed by the Board of Directors.

(b) VICE PRESIDENT. 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 by him by the Board of Directors.

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

(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; 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

The Association shall appoint an Architectural and Landscaping Review Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws, subject to Declarants' rights to appoint the Architectural and Landscaping



Review Committee pursuant to 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, upon reasonable notice to the president and secretary. 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 when due shall be delinquent and shall be subject to delinquent interest as, provided in the Declaration. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and 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 non-use of the Common Area or abandonment of his Lot.

Assessments on lots owned by Declarants and Developer Owners are subject to assessment at a lesser rate as provided in the Declaration.

#### ARTICLE XII AMENDMENTS CONFLICTS

Section 13.1. These Bylaws may be amended by the Board of Directors of the Association, subject to amendment or repeal by the vote of not less than three-fourths ( $\frac{3}{4}$ ) of the Members voting at a meeting at which a quorum of members is present, except that Declarant reserves the absolute right of its own volition, and without any other consent, to amend these Bylaws should such amendment be required in order to achieve compliance with the regulations of FHA, VA or the Federal National Mortgage Association. No amendment may conflict with any right reserved unto the Declarant.

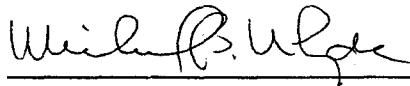
Section 13.2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws or the Articles, the Declaration shall control. Each owner shall, in addition, be subject to all provisions of the Declaration.

ARTICLE XIV  
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day 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.

These Bylaws shall be interpreted and enforced in a manner consistent with the Declaration and, in the event of a conflict between the terms of these Bylaws and the terms of the Declaration, the terms of the Declaration shall control.

DATED this 23rd day of December,2003.



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Michael B. Whyde  
President  
Rancho Abrego Homeowners Association