

AMENDED  
BY-LAWS OF  
MONTE DEL ORO HOMEOWNERS ASSOCIATION

Article I. Name and Purpose

The name of this corporation shall be Monte Del Oro Homeowners Association.

The purpose of this Association shall be to do all things necessary for the general benefit and welfare of the Owners of Lots 14 through 61 and 67 through 156 in Monte Del Oro, a subdivision of Pima County, Arizona.

Article II. Assessments

Section 1. Levying Regular Assessments. For the purpose of providing the necessary funds to carry out the business of this corporation and to provide for the necessary operating expenses for this corporation, the Association shall levy an annual assessment against each lot in the subdivision, whether improved or unimproved. The amount of such assessment shall be determined by a vote of a majority of the Members present at the annual meeting. The Board of Directors shall prepare an operating budget for the next fiscal year (July 1 - June 30) and make a recommendation to the Members at the annual meeting regarding the amount of the annual assessment based on such operating budget. In the event the Board's recommendation is not approved by the membership, the amount of the assessment will remain the same as the previous fiscal year.

Section 2. Due Dates of Assessments. Assessments are due and payable on July 1 of each year. The Board of Directors will notify each Lot Owner of the amount of the assessment due. Assessments will be deemed delinquent if not paid by October 1st of that year. The Board of Directors shall impose a late fee on all Owners who are delinquent in the payment of their assessment equal to ten percent (10%) of the current year's assessments, or Twenty Dollars (\$20.00), whichever is greater. In addition, interest will accrue on all unpaid assessments and late fees at the rate of ten percent (10%) per annum, compounded annually, until such charges are paid in full. The Board of Directors has the right, and obligation, to record liens against the property of any Owner who is delinquent in the payment of his/her assessments.

Article III. Board of Directors

Section 1. Board of Directors and Terms. The business and property of the corporation shall be managed and controlled by a Board of Directors consisting of seven (7) members. Board members shall serve for two years with terms being staggered so that no more than three members will require election in any given year.

Section 2. Election of Directors. The election of the Directors shall be by secret ballot at the annual meeting of the Members. Those individuals receiving the highest number of votes shall be elected to the Board. In the event of a tie vote, those candidates receiving an equal number of votes shall be voted upon in a runoff election to be held immediately following the counting of the votes. There shall be no cumulative voting.

2.1. Removal of Directors. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association.

2.2. Absence from Meetings. In the event any Member of the Board of Directors is absent from one meeting without a showing of good cause, the Board may declare the office of the absent Director to be vacant. Any vacancy shall be filled by a vote by the Board of Directors. Any director who is appointed by the Board shall serve for the unexpired term of his/her predecessor.

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

2.4. Liability of Board Members. No Member of the Board of Directors shall be personally liable to any Member or his/her assigns for any damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, its representatives or employees provided that such Board member has, upon the basis of such information as may be possessed by him, acted in good faith.

2.5. Duties of the Board of Directors. The Board of Directors has the following duties:

a. To establish annual assessments based upon an operating budget adopted by the Board and collect such assessments due from the Owners in a timely manner.

b. To maintain a record of all actions taken by the Board and present a report of such actions at the annual meeting of the

Association.

c. To supervise all officers, agents, and employees of the Association.

d. To promulgate Rules and Regulations pertaining to the use of the Properties, as may be deemed proper and which are consistent with these By-Laws and the Declaration.

e. To enforce the obligations of the Owners and to do everything necessary and proper for the sound management of the Association, including but not limited to bringing or defending lawsuits to enforce the provisions of the Declaration, these By-laws, the Articles of Incorporation and the Rules and Regulations of the Association.

Section 3. Officers. The officers of the Association shall include a President, Vice-President, Secretary, and Treasurer. These officers shall be elected by the Board of Directors at the organizational meeting following the annual meeting. The President will serve as the Chair of the Board and is empowered to call meetings of the Board as necessary. The Vice-President assumes the duties of the President in his/her absence. The Secretary maintains the official records of the Association. The Treasurer maintains the funds of the Association and the records pertaining thereto. Other duties of Board members will be assigned by the President. All assignments of Members to committees, the chairs of such committees, and the functions of such committees shall be made by a majority vote of the Board.

Section 4. Vacancies. Any vacancies which may occur on the Board of Directors will be filled by the vote of a majority of the Board. The appointment to the Board will be effective until the next annual meeting of the Association at which time a Director will be elected to fill the unexpired term of the vacant Directorship. The term of office for the newly elected Director will be two years if the vacancy occurred in the second year of a term, or one year if the vacancy occurred in the first year of a term.

Section 5. Voting. Unless specified otherwise in these By-laws, or in the Covenants, Conditions, and Restrictions for Monte Del Oro, all votes taken at the annual meeting of the Members or at any Board of Director meetings shall be by a majority of the qualified voters who are present in person or by proxy.

Section 6. Quorum. The presence, in person or by proxy, of ten percent of the Members shall constitute a quorum at any annual or special meeting of the Association. To

constitute a quorum at any Board of Director's meeting there must be a minimum of four (4) Directors present.

**Section 7. Special Meetings.** Special meetings of the Members may be called at any time by the Board, or upon the written request of one-fourth (1/4th) of the Members who are entitled to vote. No business other than that stated in the notice shall be transacted at any special meeting without the unanimous consent of all of the Members entitled to vote.

#### **Article IV. Notice**

It is the responsibility of the Board of Directors to provide all Members of the Association with timely and informative notice of the affairs of the Association. Notices shall be addressed to the Member at his/her address as it appears on the records of the Association. Notice shall be deemed given if deposited in the U.S. Mail, first class, postage prepaid. Notices shall include, as a minimum, the following:

a) **Annual Meetings.** Written notice of the annual meeting shall be given at least sixty (60) days prior to the date set for the meeting. A second notice shall be given within thirty (30) days prior to the meeting. Notices must include, the date, time, location of the meeting, and shall include an Agenda and Ballots for the election of Directors and any other action requiring a vote of the membership. The notices shall also contain a form to be used by any Member desiring to designate another person as his/her proxy.

b) **Special Meetings.** Notice of special meetings of the Association shall state the place, date, time and purpose of the meeting and shall be given to each Member at least ten (10) days before the meeting. The notice shall include an Agenda shall state the action requiring a vote of the membership.

c) **Board of Director's Meetings.** Written notice must be given to the Members of all regularly scheduled meetings of the Board of Directors. This notice shall be given to the Members following the first meeting of each new Board. This notice must include the date, time, and location of regularly scheduled meetings.

d) Any Member of the Association, against whom the Board of Directors is taking action concerning that Member's failure to adhere to the provisions of the Covenants, Conditions, and Restrictions, Rules or Regulations or Design Guidelines, must, as a prerequisite to litigation, receive notice from the Association of such violation.

#### **Article V. Amendments**

These By-laws may be amended by a majority of the Members, who are present

in person, or by proxy, at the annual or any special meeting of the Association.

Article VI. Conflicts in Documents. In the event of any conflict between the Declaration and these By-Laws, the Declaration shall control. In the event of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control.

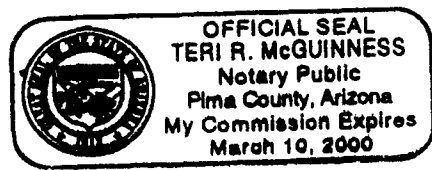
IN WITNESS WHEREOF, the Association, a non-profit corporation, has executed these By-laws by the signature of its duly authorized officers this 3 day of APRIL, 1996, upon the approval of a majority of the members of the Association.

MONTE DEL ORO HOMEOWNERS  
ASSOCIATION, INC.

By [Signature]  
President

ATTEST:

By [Signature]  
Secretary



Teri R. McGuinness  
3-4-96