

FIFTH AMENDED AND RESTATED BYLAWS

OF

CASITA DE CASTILIAN, INC.

AN ADULT COMMUNITY

Effective January 14, 2017

TABLE OF CONTENTS

ARTICLE I	PAGE
DEFINITIONS AND APPLICABILITY	1
1.1 Definitions	1
1.2 Applicability	1
ARTICLE II	
MEMBERSHIP AND VOTING	1
2.1 Qualifications	1
2.2 Voting Rights	2
2.3 Absentee Ballots	3
ARTICLE III	
ADMINISTRATION	3
3.1 Association Responsibilities	3
3.2 Annual Meetings of Unit Owners	3
3.3 Special Meetings of Unit Owners	4
3.4 Notice of Meetings	4
3.5 Quorum and Adjourned Meetings	4
3.6 Order of Business	4
3.7 Procedure at Meetings	4
ARTICLE IV	
BOARD OF DIRECTORS	5
4.1 Number and Qualifications	5
4.2 Classes of Directors	5
4.3 Election and Term of Office	5
4.4 Vacancies	5
4.5 Removal of Directors	5
4.6 Organizational Meeting	6
4.7 Regular Meetings	6
4.8 Special Meetings	6
4.9 Board of Directors' Quorum	7
4.10 Powers and Authority of the Board	7
4.11 Management	8
4.12 Managing Agent	8
4.13 Taxes	8
4.14 Fidelity Bonds	9
4.15 Assessments	9
4.16 Books and Records	9
4.17 Financial Reporting to Members and Audit of Books	9
4.18 Authorized Payments by the Association	9
4.19 Committees	10

ARTICLE V		
OFFICERS		11
5.1	Designation	11
5.2	Election of Officers	11
5.3	Removal of Officers	11
5.4	President	11
5.5	Vice President	11
5.6	Secretary	11
5.7	Treasurer	11
5.8	Assistant Secretary	12
5.9	Assistant Treasurer	12
ARTICLE VI		
CONTRACTS, CHECKS, DEPOSITS & FUNDS		12
6.1	Contracts	12
6.2	Bidding Requirements	12
6.3	Checks, drafts, Etc	12
6.4	Limitation on Board's Spending Authority	12
ARTICLE VII		
AMENDMENTS		12
7.1	Bylaws	12
7.2	Declaration	13
ARTICLE VIII		
MORTGAGES		13
8.1	Mortgage Protection	13
8.2	Notice to Association	13
8.3	Notice of Unpaid Assessments	13
ARTICLE IX		
INDEMNIFICATION		13
ARTICLE X		
GENERAL PROVISIONS		14
10.1	Conflict	14
10.2	Singular Includes Plural	14
10.3	Captions	14
10.4	Corporate Seal	14
10.5	Fiscal Year	14

**FIFTH AMENDED AND RESTATED BYLAWS
OF
CASITA DE CASTILIAN, INC.**

**ARTICLE I
DEFINITIONS AND APPLICABILITY**

1.1. Definitions. In these Bylaws, unless the context otherwise requires, all definitions shall be as set forth in the Third Amended and Restated Declaration of Development and Operating Plan for Casita de Castilian, Inc., recorded in the office of the County Recorder, Pima County, Arizona, at Docket 10291 at page 2806 et seq., hereinafter referred to as the “Declaration”.

1.2. Applicability. All present or future Unit Owners, tenants, future tenants or any other persons using the facilities of the Condominium in any manner are subject to the provisions of these Bylaws. The mere acquisition or rental of any Unit located within the Condominium or the mere act of occupancy of any Unit shall constitute ratification of these Bylaws, which supersede and replace any previous Bylaws of the Association.

**ARTICLE II
MEMBERSHIP AND VOTING**

2.1. Membership.

- a. **Qualifications.** Each Owner of a Unit, by virtue of being such a Unit and for so long as he/she is such a Unit Owner, shall automatically be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest in a Unit solely as security for the performance of an obligation, or a lessee or tenant of a Unit Owner or a purchaser or vendee under an executory contract of sale which has not closed or been recorded in the office of the County Recorder, Pima County, Arizona. No Unit Owner shall have more than one (1) membership for each unit owned.
- b. **Restrictions on Membership.** Membership in the Association shall be subject to the following restrictions and qualifications:
 1. Except as provided in the Rules and Regulations, at least one occupant of each Unit must be fifty-five (55) years of age or older in order to qualify anyone living in that Unit or owning that Unit for membership in the Association.
 2. Any person nineteen (19) years of age or older who resides in the same household with any person who is qualified under Section 2.1(b) (1) above is eligible for membership in the Association as long as such person is a resident of Casita de Castilian.
 3. Any person under the age of fifty-five (55) who acquires a Unit by purchase, inheritance or other lawful means and does not qualify for membership under Section 2.1(b) (1) above, is not eligible for residence, other than with an individual who is age qualified. This restriction shall not relieve an Owner from the obligation to pay assessments and to fulfill all obligations imposed upon Members based upon ownership of a Unit.
- c. **Certificates of Membership.** Except as provided in Section 2.1(b) above, each Unit Owner is automatically a member of the Association. The Board of

Directors may, but shall not be obligated to, issue the same number of certificates of membership in the Association as there are Units, to Unit Owners reflecting their voting status as provided for in the Declaration. If said certificates are issued and in the event any Unit is owned by two (2) or more persons, a single certificate shall be issued in the name of all of said persons, and said persons shall designate to the Board, in writing, the one of their number authorized to vote said certificate at any and all meetings of the Association. No certificate shall be transferred to any person or persons other than another Unit Owner of record. Any member who has disposed of all his/her interest in any Unit shall forthwith surrender his/her certificate evidencing membership in the Association and a new certificate shall be issued in the name of the person or persons or entity acquiring his/her interest in a Unit. Failure to surrender such certificate shall, nevertheless, upon the sale by a member of his/her interest in any Unit, void his/her certificate and all of his/her rights as a member of the Association.

- d. **Transfer of Membership.** Membership of each Unit Owner in the Association shall be appurtenant to the Unit owned and shall not be transferred, pledged, or alienated in any way except upon the transfer of ownership to said Unit, and then only to the transferee thereof. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership of a Unit shall operate automatically to transfer said membership to the new Unit Owner thereof. However, such transfer shall not relieve or release any former Member from any liability or obligation incurred under or in connection with Association membership and Unit ownership, and the covenants and obligations incident thereto.

2.2. Voting Rights. The Association shall have one (1) class of voting membership. Each Unit Owner shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be Members; however, only one vote in Association matters may be cast for each Unit. The vote for such Unit shall be exercised as the Unit Owners may determine and designate in a writing delivered to the Secretary of the Association, at or in advance of each meeting of Members. Until such designation is made, any vote cast by such membership may be disallowed by the Board of Directors.

Any provision contained in this section to the contrary notwithstanding, any Association Member who is in default in paying any assessments or other sums due this Association, shall not have any voting rights unless and until such default is cured. Further, the voting rights of any Member who is in default in the observance of any other provision of the Condominium Documents is subject to suspension of voting rights in accordance with the following procedure:

- a. The Association shall send a notice to the defaulting Member, by personal delivery or certified mail (at the address of such Member's Unit located within the Project or at any other address of record). The notice shall set forth the specific default of the Member for which his/her voting rights will be suspended.
- b. The Member shall then have ten (10) days from the date of the mailing of said notice in which to request a formal hearing before the Board of Directors. Said hearing request must be in writing and sent to the Association by certified mail.
- c. If the Member does not request a hearing within the ten (10) day period, the Board of Directors may suspend such Member's voting rights in the Association by an affirmative vote of a majority of directors present at a duly constituted and convened meeting of the Board of Directors.

- d. If the Member does request a formal hearing within the time and in the manner set forth above, the Board shall set a date for the hearing which is not more than thirty (30) days after the date upon which the Board first mailed notice to the Member regarding his/her default.
- e. The member must be notified in writing of the date and time of the hearing.
- f. At the hearing, the defaulting Member and any other interested party or witness may present statements and testimony, and at the conclusion of said meeting, the members of the Board shall either dismiss the charges against such Member or, by a two-thirds vote, declare the Member's suspension of voting rights to be in effect until the default for which he/she was suspended has been cured.
- g. Any Member whose voting rights in the Association have been suspended shall not have the right to use any of the Recreational Facilities of the Condominium or to receive the benefit of any services rendered by the Association. However, any such Member shall still receive the use and benefit of any common water and sewage facilities owned or operated by the Association and shall also still receive periodic removal of trash to the extent such removal is provided by the Association.

2.3 Absentee Ballots. The Board shall provide for votes to be cast by absentee ballot at any meeting of the Association at which voting will take place. The following procedure shall apply:

- a. The absentee ballot shall set forth each proposed action to be taken at the meeting.
- b. The absentee ballot shall provide an opportunity to vote "for" or "against" each proposed action (except in the case of election of Directors when there shall be no "against" vote).
- c. The absentee ballot is valid for only one specified election or meeting of the Members and expires automatically after the completion of the election or meeting.
- d. The absentee ballot must specify the time and date by which the ballot must be delivered to the Board in order to be counted. Ballots received after this date shall not be counted.
- e. Absentee ballots must be sent or delivered to Members at least ten (10) days but not more than thirty (30) days prior to the date of the election or vote on an issue, and the date set for the tabulation of the ballots shall be stated on the ballot.
- f. Absentee ballots shall be valid for the purpose of establishing a quorum for the vote or election.

ARTICLE III ADMINISTRATION

3.1. Association Responsibilities. The Association shall have the responsibility of the proper and efficient management and operation of the Common Elements, approving the annual budget, establishing and collecting assessments together with such other responsibilities as set forth in these Bylaws and the Declaration. In general, the Association shall be representative of each Unit Owner for every problem which affects more than one (1) Unit.

3.2. Annual Meetings of Unit Owners. There shall be an annual meeting of the Unit Owners on the second Saturday of January in each year at such a time and place convenient to

the Unit Owners as may be designated by the Board of Directors. The Board of Directors may designate another date for such annual meeting not more than thirty (30) days before or after the date fixed for said annual meeting by written notice of the Board given to the Unit Owners not less than ten (10) nor more than fifty (50) days prior to the date fixed for said annual meeting specifying the date, time and place thereof.

3.3. Special Meetings of Unit Owners. A special meeting of the Unit Owners may be called at any reasonable time and place by The President when so directed by resolution of the Board of Directors or upon presentation to the Secretary of a petition signed by a least thirty (30) Unit Owners with voting rights. Notice of said special meeting must be delivered to all Unit Owners not less than ten (10) nor more than fifty (50) days prior to the date fixed for said meeting specifying the date, time and place thereof, and the nature of the business to be undertaken. No business shall be transacted at a special meeting except as stated in said notice.

3.4 Notice of Meeting. It shall be the duty of the Secretary of the Association to mail or deliver a notice of annual or special meeting within the time period specified above stating the purpose thereof as well as the date, time and place where it is to be held to each Unit Owner of record. The mailing or delivery of such notice to each Unit Owner shall be considered notice served.

3.5 Quorum and Adjourned Meeting. The presence at any meeting of the Association, in person or by absentee ballot, of the Unit Owners entitled to vote at least a majority of the total votes in the Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Unit Owners present either in person or by absentee ballot, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called. Except as otherwise provided herein, any action may be taken at any meeting of the Unit Owners having a majority of the total votes present at such meeting either in person or by absentee ballot.

3.6 Order of Business. The order of business at all regular annual meetings of the Association shall be as follows:

- Roll Call
- Proof of notice of meeting or waiver of notice
- Reading of minutes of preceding meeting
- Report of Officers
- Report of Committees
- Election of Directors
- Unfinished Business
- New Business

3.7 Procedure at Meetings. The proceedings and procedure at any formal meeting of the members of the Board of Directors shall be governed, in general, by the parliamentary procedures and rules set forth in Robert's Rules of Order, Revised.

ARTICLE IV BOARD OF DIRECTORS

4.1 Number and Qualifications. The affairs of the Association shall be conducted by a Board of Directors, all of whom shall be Association members with voting rights, comprised of not more than fifteen (15) persons, nor less than three (3) persons. The number of Directors shall be established by the members at an annual or special meeting. No decrease in the number of directors shall serve to terminate the remaining term of any existing Director.

4.2 Classes of Directors. There shall be three classes of directors, with an equal number of directors in each class. The term of the directors within each such class shall be three (3) years and until the respective successors to such directors have been duly elected and qualified. However, the terms of each class of directors shall be staggered so that at each annual meeting of Members, the term of the directors of one class (but not of the other two classes) shall expire and their successors shall be elected. If, in order to provide for the staggered terms of classes of directors as provided above, it shall be necessary that the initial term of one or more classes of directors be one or two years instead of three years, then such one or two year terms may be established as the initial term of such one or more classes.

4.3 Election and Term of Office. Subject to the requirements of Section 4.1 of these Bylaws, the directors shall be elected at a regular annual meeting of the Association by a plurality of the total votes cast by Unit Owners present either in person or by absentee ballot, constituting a quorum, for a term until the next regular annual meeting, unless a longer or shorter term is authorized as hereinafter provided. A director shall hold office until his/her successor is elected and qualifies. The members of the Board may succeed themselves indefinitely, but in no instance shall there be more than one (1) Board member from each Unit.

The Board of Directors, prior to a regular annual meeting, shall appoint a nominating committee to obtain a list of names of Unit Owners who desire to serve on the Board of Directors to be elected at the forthcoming regular annual meeting. The nominating committee shall inform the Unit Owners that it is accepting names of persons to serve on the Board of Directors. After the nominating committee has determined which Unit Owners are willing to serve on the Board of Directors, it shall prepare a list of such names and submit it at the next regular annual meeting for a vote of the Unit Owners. In the alternative, nominations may also be made from the floor at any annual meeting. Thus, a Unit Owner may be elected to the Board of Directors even though his/her name does not appear on a list prepared by the nominating committee. The nominating committee shall count and verify the ballots collected at the regular annual meetings.

4.4 Vacancies. Vacancies in the Board of Directors caused by any reason other than removal of a director by vote of the Unit Owners shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected at the next regular annual meeting of the Association.

4.5 Removal of Directors. At any duly called regular or special meeting of the members at which a quorum is present, any one or more of the directors may be removed with or without cause by a majority of the Unit Owners entitled to vote, and a successor may then and there be elected to fill the vacancy thus created and to serve the remaining term of the removed director.

Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting. In keeping with AZ §33-1243H, the following procedures apply:

- a. On receipt of a petition that calls for removal of a member of the Board of Directors and that is signed by the number of persons who are entitled to cast at least twenty-five per cent of the votes in the Association, the board shall call and provide written notice of a special meeting of the Association as prescribed by section AZ §33-1248 B.
- b. The special meeting shall be called, noticed and held within thirty days after receipt of the petition.
- c. For purposes of a special meeting called pursuant to this subsection, a quorum is present if the number of owners to whom at least twenty per cent of the votes are allocated is present at the meeting in person or as otherwise permitted by law.
- d. If a civil action is filed regarding the removal of a board member, the prevailing party in the civil action shall be awarded its reasonable attorney fees and costs.
- e. The Board of Directors shall retain all documents and other records relating to the proposed removal of the member of the board of directors for at least one year after the date of the special meeting and shall permit members to inspect those documents and records pursuant to AZ §33-1258.
- f. A petition that calls for the removal of the same member of the board of directors shall not be submitted more than once during each term of office for that member.

4.6 Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which the directors were elected, and no notice shall be necessary to the newly elected directors in order to legally constitute such meeting, provided a majority of the whole Board shall be present.

4.7 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two (2) such meetings shall be held during each fiscal year. The date and agenda of meetings will be posted at least three (3) days prior to the meeting.

- a. All meetings of the Board of Directors shall comply with the Open Meeting provisions of the Arizona Condominium Act, §33-1248.
- b. In keeping with §33-1248.A.1-5, any portion of a meeting of the Board of Directors may be closed for consideration of one or more of the following reasons:
 1. Legal advice from an attorney.
 2. Pending or contemplated litigation.
 3. Personal, health or financial information about an individual member of the Association, an employee, or a contractor.
 4. Matters relating to job performance, compensation, health records, or specific complaints against an employee or contractor of the Association.
 5. Discussion of a unit owner's appeal of any violation cited or penalty imposed by the Association except on request of the affected unit owner that the meeting be held in an open session.

4.8 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) day's notice to each director, given personally, by mail or telephone,

which notice shall state the date, time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) directors. Notwithstanding the foregoing, a majority of the directors may waive the three (3) day notice requirement for calling a special meeting at such time and place as agreed upon by the majority of directors.

4.9 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting, from time to time. At any such adjourned meeting, providing a quorum is then present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.10 Powers and Authority of the Board. The Board of Directors shall have the powers of an Arizona non-profit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Association's Articles of Incorporation, these Bylaws and the Declaration. The Board shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of said Articles, these Bylaws, the Declaration, or the Condominium Act, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association. Without in any way limiting the generality of any of the foregoing provisions, the Board shall have the power and authority at any time to do the following:

- a. Care, upkeep, repair and supervision of the Common Elements.
- b. Collection of assessments from Unit Owners pursuant to the provisions of the Condominium Documents.
- c. Designation and dismissal of personnel necessary for the maintenance, operation, repair and replacement of the Common Elements.
- d. Procurement and maintenance of insurance coverage as provided in Article VII of the Declaration.
- e. To grant and convey to any person easements, rights-of-way, parcels or strips of land in, on, over or under any portion of the Common Elements for the purpose of constructing, erecting, operating or maintaining thereon, therein and thereunder (1) roads, streets, walks, pathways and driveways; (2) temporary overhead or permanent underground lines, cables, wires, conduits, or other devices for the transmission for electricity for lighting, heating, power, telephone, cable television and other purposes; (3) sewers, storm drains and pipes, drainage easements, water systems, water, heating and gas lines or pipes; and (4) any similar or quasi public improvement or facilities.
- f. To retain and pay for legal and accounting services necessary or proper in the operation of the Common Elements, enforcement of these Bylaws and the Declaration, or in any of the other duties or rights of the Association.
- g. To obtain or pay for, as the case may be, any other property, or services, which the Board deems necessary, including security services for the Common Elements.
- h. To enter at any reasonable time upon any exterior portion of any Unit for the purpose of carrying out its duties and obligations for exterior maintenance and landscaping pursuant to Article V of the Declaration.

- i. To regulate the use of and provide for appropriate safety measures for the Common Elements.
- j. To maintain the Common Elements in a neat and attractive manner.
- k. To construct new improvements or additions to the Common Elements or demolish or replace existing improvements; provided, that in the case of any improvements, additions or demolition (other than maintenance or repairs to existing improvements and reconstruction made pursuant to Section 4.10 (a) herein involving a special assessment, two-thirds (2/3) of the total votes cast by the membership of the Association voting either in person or by absentee ballot at an annual or special meeting called for the purpose of approving plans and a maximum total cost therefore shall first be obtained. The Board may levy a special assessment on all Unit Owners for the cost of such work pursuant to these Bylaws and the Declaration.
- l. To select and employ a trust company, account servicing agent or bank to collect and distribute funds of the Association under such terms and conditions approved by the Board.
- m. To grant and convey easements and rights-of-way in accordance with the terms of the Declaration.
- n. To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration.
- o. To borrow funds and to execute all necessary instruments to evidence such indebtedness.
- p. To enter into contracts within the scope of its duties and powers.
- q. To adopt and publish rules and regulations (Rules) governing the use of the Common Elements, and said Rules shall be binding upon the members of the Association.

4.11. Management. The Board shall control, maintain, manage and improve the Common Elements as provided in these Bylaws, the Articles and the Declaration. Such right and power of control and management shall be exclusive. In managing the Common Elements, the Association hereby accepts all responsibility for the control, maintenance, safety and liability of such Common Elements including, but not limited to, collecting and paying taxes on Common Elements which shall be assessed by the County Assessor.

4.12. Managing Agent. The Board of Directors may not engage the services of a manager or managing agent without the specific approval, at a duly constituted meeting of the Association held for such purpose of a majority of the Members present in person or by absentee ballot and entitled to vote at such meeting. The managing agent shall perform such duties and services as the Board of Directors shall direct. The Board of Directors may delegate to the managing agent all of the powers granted to the Board by these Bylaws other than the powers set forth in Paragraphs 4.10(e) (k) (l) (m) (o) (p) and (q).

4.13. Taxes. Unit Owners shall pay all real estate and personal property taxes which may be assessed against their respective Units. The Association shall pay all taxes levied upon any property conveyed, leased or otherwise transferred to the Association, to the extent not assessed to Unit Owners.

4.14. Fidelity Bonds. The Association shall purchase and maintain in force, fidelity coverage against dishonest acts on the part of directors, officers, managers, trustees, employees, or volunteers responsible for handling funds belonging to or administered by the Association. Such fidelity bonds or insurance shall name the Association as the named insured and shall be written in an amount sufficient to provide protection, which is, in no event, less than 1- ½ times the insured estimated annual operating expenses and reserves, and provide for at least ten (10) days notice to the Association and First Mortgagees servicing FNMA owned mortgages before cancellation or substantial modification of the bond. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added, if the policy would not otherwise cover volunteers.

4.15. Assessments. The Board of Directors shall levy and collect assessments pursuant to the provisions of these Bylaws and Article 7 of the Declaration. The assessments levied by the Association shall be used exclusively for the improvement and maintenance of the Common Elements and for all purposes set forth in the Articles, Declaration and these Bylaws. The Board of Directors of the Association shall provide that Association dues, charges or assessments shall include an adequate reserve fund for maintenance, repairs and replacement of the Common Elements owned by the Association that must be repaired or replaced on a periodic basis.

4.16. Books and Records. The Board of Directors shall keep or provide for the keeping of books with detailed accounts affecting the administration of the Common Elements, specifying the maintenance, repair or replacement expenses thereof and any other expenses incurred. The Board of Directors also shall keep or provide for the keeping of all business records of the Association, including minutes of meetings. The books and records of the Association shall be made available for examination to any Unit Owner or his/her designated agent, for any proper purpose at any reasonable time. Any photocopies requested by an Owner will be reproduced at the Owner's expense.

4.17. Financial Reporting to Members and Audit of Books. At the Annual Meeting, the Board shall make available to the members of the Association a complete financial report pertaining to the Association's financial condition. The Board of Directors shall provide for an annual financial audit, review or compilation of the Association. The audit, review or compilation shall be completed no later than one hundred eighty days after the end of the Association's fiscal year and shall be made available to the unit owners within thirty days after its completion. Upon the vote or written request of twenty-five percent (25%) of the Association's members, the Board shall appoint a committee of at least three (3) members to audit the books, or in the alternative, shall contract with a private accounting firm to audit same.

4.18. Authorized Payments by the Association. The Board of Directors shall have exclusive authority to make payments out of the Association's funds for the benefit of each Unit Owner. This authority shall include, but shall not be limited to, the following:

- a. All goods, materials, supplies, labor, services, maintenance, repair, alterations, reconstruction and insurance which the Board of Directors is authorized to obtain and pay for pursuant to these Bylaws or the Declaration or which are authorized by the Unit Owners for the convenient operation of the Common Elements.
- b. Workers' Compensation Insurance to the extent necessary to comply with any applicable laws.

- c. Professional management services as provided herein, legal, accounting and other services contracted for by the Board of Directors if it is deemed necessary by them for the operation and maintenance of the Common Elements, protection of any of the Common Elements or in the best interest of the Unit Owners.
- d. As provided in Article 5 of the Declaration, it shall be the sole responsibility of each Unit Owner to maintain, repair, and repaint the interior of his/her Unit and to maintain and replace specified portions of the exterior of the Unit. In the event any Unit Owner fails to maintain his/her Unit or the exterior of his/her Unit or any of the other improvements on a Unit in a manner in keeping with the general neighborhood, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents or employees, to enter upon the subject property, and repair, maintain and restore the Unit, and any improvements thereon. The cost of such repair and maintenance shall be added to and become part of the assessment to which such Unit is subject. The Board in its sole discretion shall have the right to determine whether or not a Unit or the exterior of a Unit or any improvements on a Unit is in need of maintenance, repair or upkeep in order to conform to the standards of the general neighborhood, and the Board shall use a reasonably high standard to determine whether such maintenance, repair or upkeep is required so that the Units as a whole will reflect a high pride of ownership.
- e. All costs of enforcing the provisions of these Bylaws and the Declaration, including attorney's fees and court costs, provided that all costs were incurred for the enforcement of the provision of these Bylaws and the Declaration against any Unit Owner, shall be assessed especially against such Unit Owner.

4.19. Committees. The Board of Directors may from time to time designate and appoint committees, the members of which shall serve at the pleasure of the Board. All regularly scheduled committee meetings shall comply with the Open Meeting provisions of the Arizona Condominium Act, §33-1248, including but not limited to providing 48 hour's notice, opening meetings to interested unit owners, and allowing the right to speak before the vote on issues. The Board shall receive reports and recommendations from the committees and shall take appropriate action based on the recommendations. In addition to the foregoing, the following committees shall be established as permanent committees of the Board:

- a. Business and Finance Committee. The Business and Finance Committee shall consist of a minimum of five (5) persons who shall be appointed by the President of the Association. The President and Treasurer of the Association shall be ex-officio members. The committee shall address the business and financial affairs of the Condominium and the Association.
- b. Maintenance Committee. The Maintenance Committee shall supervise the landscaping, the pools, clubhouse, roadways, common pipelines, collection and disposal of trash. It shall also secure competitive bids for the various services required, inspect the workmanship for quality and conformance to bid specifications, and seek to maintain the excellent level of architectural design of the Condominium. The Maintenance Committee shall consist of a minimum of three (3) persons, who shall be appointed by the President.
- c. Social Committee. The Social Committee shall consist of at least three (3) persons who shall be appointed by the President and shall be responsible for all community social events.

- d. Liaison Committee. The Liaison Committee shall welcome new Members, lessees, tenants or assignees and shall provide them with the Condominium Documents. This Committee shall foster communication with the Condominium by notices distributed and personal contact. This Committee shall consist of a minimum of three (3) persons, who shall be appointed by the President.

ARTICLE V OFFICERS

5.1. Designation. The principal officers of this Association shall be a President, a Vice President, a Secretary and Treasurer, all of whom shall be directors. Any number of offices, except the office of President and Secretary, may be held by the same person, unless the Articles or these Bylaws otherwise provide.

5.2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

5.3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his/her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

5.4. President. The President shall be the chief executive officer of the Association, and shall be appointed from among the members of the Board of Directors. He/she shall preside at all meetings of the Association and the Board of Directors. He/she shall have the power to sign, along with the Secretary of the Association or any other officer of the Association as may be designated by the Board of Directors, any contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing thereof shall have been expressly delegated by the Board of Directors to some other officer or agent of this Association. Additionally, the President shall have all of the general powers and duties which are usually vested in the office of the President of a non-profit corporation.

5.5. Vice President. The Vice President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him/her by the Board of Directors.

5.6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. The Secretary shall have charge of such book and papers as the Board of Directors shall direct, and shall in general perform all the duties incident to the office of Secretary.

5.7. Treasurer. The Treasurer shall have custody of and be responsible for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association unless such function is delegated by the Board of Directors to a trust company, a bank, or a professional property management company as authorized by these Bylaws. The Treasurer shall be responsible for the deposit of all monies

and other valuable effects which he/she personally collects in the name, and to the credit of, the Association in such depositories as may from time to time be designated by the Board of Directors. All funds of the Association over which the Treasurer has direct control shall only be withdrawn upon his/her signature. The Board may require the signature of one other member of the Board for disbursement of Association funds.

5.8. Assistant Secretary. The Board of Directors may appoint one or more Assistant Secretaries to perform all of the duties of the Secretary in the absence of the Secretary.

5.9. Assistant Treasurer. The Board of Directors may appoint one or more Assistant Treasurers to perform all of the duties of the Treasurer in the absence of the Treasurer.

ARTICLE VI CONTRACTS, CHECKS, DEPOSITS & FUNDS

6.1. Contracts. The Board of Directors may authorize any officer(s) or agent(s), in addition to the officers authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

6.2. Bidding Requirements. All maintenance and repair requirements that exceed \$1,000.00 shall be expended on the basis of at least three (3) independent bids whenever possible; the bids shall be submitted by contractors who are licensed, bonded and insured. The Board shall select the best bid, which need not be the lowest bid and the Board's decision in this regard shall be final and conclusive.

6.3. Checks, Drafts, Etc. All checks, drafts, orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association shall be signed by two officers of the Association, one of whom shall be the Treasurer and the other shall be the President or Vice President. In the absence of any of the foregoing, a designated member of the Board may sign. The Board may delegate specific check signing authority to a managing agent.

6.4. Limitation on Board's Spending Authority. Except as set forth in the approved annual budget, the Board of Directors shall not make any outlay for a capital asset or acquisition (as determined in accordance with generally-accepted accounting principals by the accountant then serving the Association) in excess of Seven Thousand Five Hundred Dollars (\$7,500.00) during any fiscal year without prior approval therefore by a two-thirds vote of the Members who are present in person or by absentee ballot at a regular or special meeting of the Association.

ARTICLE VII AMENDMENTS

7.1. Bylaws. In keeping with Bylaw §3.5 & AZ Non-Profit Corporation Act §10-11021 and 10-11003.A.5, Bylaws may be amended in whole or in part at a duly constituted meeting of the Association held for such purpose. In order to change Bylaws, at least a majority of the total votes in the Association shall need to be submitted to constitute a quorum and at least two-thirds

of the votes cast need to be in favor of the proposed change. The notice of said meeting shall contain a summary of the proposed amendment(s) or a copy of the proposed amendment(s). No amendment to these Bylaws shall serve to shorten the term of any Director.

7.2. Declaration. The President or Vice President may execute, certify and record any amendment to the Declaration duly adopted by the Unit Owners.

ARTICLE VIII MORTGAGES

8.1. Mortgage Protection. First Mortgagees are hereby 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 Elements or other 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 Elements and any First Mortgagee making such payments shall be owed immediate reimbursement from the Association. Nothing in these Bylaws shall in any manner be deemed to give a Unit Owner, or any other party, priority over any rights of a First Mortgagee of a Unit pursuant to the terms of its mortgage in the case of a distribution to a Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of Common Elements or other property owned by the Association. 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 Unit Owner of a Unit encumbered by the mortgage in favor of such mortgagee or any obligation under these Bylaws or under the Declaration, Articles of Incorporation, Rules of the Association which is not cured within sixty (60) days after notice thereof.

8.2. Notice to Association. A Unit Owner who mortgages his/her Unit shall notify the Association through the management agent, if any, or the President of the Board of Directors in the event there is no management agent, giving the name and address of his/her mortgagee; and the Association shall maintain such information.

8.3. Notice of Unpaid Assessments. The Association shall, at the request of a mortgagee of a Unit, report any unpaid assessments due from a Unit Owner.

ARTICLE IX INDEMNIFICATION OF OFFICERS AND DIRECTORS

9.1. The Association shall indemnify every director or officer and his/her heirs, executors and administrators against all loss, cost and expense, including attorneys' fees reasonably incurred by him/her in connection with any action, suit or proceeding to which he/she may be made a party by reason of his/her being or having been a director or officer of the Association, except with respect to matters as to which he/she shall be finally adjudged in an action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association (through its Board of Directors) is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his/her duties as such director or officer in relation to the matter involved. The

foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses. Nothing contained in this Section 9.1, however, shall be deemed to obligate the Association to indemnify any member or Unit Owner, who is or has been a director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him/her as a Member or Unit Owner.

**ARTICLE X
GENERAL PROVISIONS**

10.1. Conflict. In the event of any conflict or inconsistency between the provisions of these Bylaws and the Declaration, the Declaration shall prevail and supercede such conflicting or inconsistent provisions of these Bylaws. Neither the Association nor the Board of Directors, nor any agent or employee shall be authorized or empowered to take any action inconsistent with the provisions of the Declaration.

10.2. Singular includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

10.3. Captions. All captions and titles used in these Bylaws are intended solely for the convenience or reference purposes only and in no way define, limit or describe the intent and meaning of the provisions hereof.

10.4. Corporate Seal. A corporate seal shall not be requisite to the validity of any instrument executed by or on behalf of the Association. Nevertheless, if in any instance a corporate seal is used, the same shall be in the form of a circle and shall bear the full name of the Association and its date of incorporation, or words and figures of similar import.

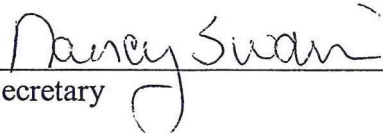
10.5. Fiscal Year. The fiscal year of this Association shall begin on January 1 and end on December 31.

IN WITNESS WHEREOF, the undersigned officers certify that this Fifth Amended and Restated Bylaws of Casita de Castilian, Inc. (the "Association") sets forth the amendments approved by at least two-thirds of the votes cast by Association Members in a duly-held election that was finalized at the annual meeting on January 14, 2017, and restates the remainder of the Fourth Amended and Restated Bylaws of the Association.

ATTEST:



President



Secretary