

BY-LAWS OF
MIRA LOMA HOMEOWNERS ASSOCIATION, INC.

ARTICLE I. NAME

1.01. The name of the corporation is MIRA LOMA HOMEOWNERS ASSOCIATION, INC., an Arizona non-profit corporation.

ARTICLE II. CORPORATION ARTICLES

2.01. References Thereto. Any reference herein made to the corporation's articles shall be deemed to refer to its Articles of Incorporation and all Amendments thereto as at any given time on file with the Arizona Corporation Commission, together with any and all certificates filed by the corporation with the Arizona Corporation Commission pursuant to applicable law.

2.02. Seniority Thereof. The articles shall in all respects be considered as senior and superior to these Bylaws, with any inconsistency to be resolved in favor of the Articles, and with these Bylaws to be automatically amended from time to time to eliminate any such inconsistency which may then exist.

ARTICLE III. CORPORATION OFFICES

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3.01. Known Place of Business. The known place of business of the Association in the State of Arizona 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.

2.02. Change Thereof. The known place of business and the office of the Association's statutory agent may be changed from time to time by the Board of Directors by filing a statement with the Arizona Corporation Commission pursuant to applicable law.

ARTICLE IV. DEFINITIONS

4.01. "Association" shall mean and refer to MIRA LOMA HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

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

4.03. "Declarant" shall mean and refer to LAWYERS TITLE OF ARIZONA, an Arizona corporation, as Trustee under Trust No. 7354-T, and LAWYERS TITLE OF ARIZONA, an Arizona corporation, as Trustee under Trust No., 7364-T, their successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

4.04. "Declaration" shall mean and refer to the Amended Declaration of Covenants, Conditions and Restrictions applicable

commencing with the year 1990, unless that day be a legal holiday, in which event the Annual Meeting shall be held on the next succeeding business day, at a time of day and place as determined by the Board of Directors, or in the absence of action by the Board, as set forth in the notice given, or waiver signed, with respect to such meeting pursuant to Section 5.03 below. If any such Annual Meeting is for any reason not held on the date determined as aforesaid, a deferred Annual Meeting may thereafter be called and held in lieu thereof, and the same proceedings (including the election of Directors) may be conducted thereat. Any Director elected at any Annual Meeting or deferred Annual Meeting shall continue in office until the election of his successor, subject to his death or earlier resignation pursuant to Section 7.01 below.

5.02. Special Meetings. Special Meetings of the Members may be held whenever and wherever called for by the president or by the Board of Directors, or by the written demand of the Members who are entitled to vote one-fourth (1/4) of all of the votes.

5.03. Notice of Meetings. Not less than fifteen (15) nor more than fifty (50) days (inclusive of the date of meeting) before the date of any meeting of the members, and at the direction of the person or persons calling the meeting, the Secretary shall cause a written notice setting forth the time, date, place and general purpose of each meeting, to be deposited

to the Properties recorded in the Office of the Recorder, Pima County, Arizona.

4.05. "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.

4.06. "Member" shall mean every owner of a Lot subject to Assessment, and refer to those persons entitled to membership as provided in the Declaration.

4.07. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which subject to assessment and 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.

4.08. "Properties" shall mean and refer to that certain real property described in Exhibit "A" attached hereto and incorporated herein by reference and in the Amended Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE V

MEETINGS OF MEMBERS

5.01. Annual Meetings. Each Annual Meeting of the members is to be held on the Second Friday in January of each year,

in the mail with first class postage prepaid, addressed to each Member entitled to vote thereat at his last address as it then appears on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Any member may waive call or notice of any annual, deferred annual or special meeting (and any adjournment thereof) at any time before, during or after which it is held. Attendance of a member at any such meeting in person or by proxy shall automatically evidence his waiver of call and notice of such meeting (and any adjournment thereof) unless he or his proxy is attending the meeting for the express purpose of objecting to the transaction of business thereat because it has not been properly called or noticed. No call or notice of a meeting of the members shall be necessary if each of them waives the same in writing or by attendance as aforesaid.

5.04. Quorum. At any meeting of the members, the presence in person or by proxy of Members 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. X

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.

At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal or temporary absence of enough members to leave less than a quorum.

5.05. Special Notice and Quorum for Any Action Authorized Under Sections 3 and 4, Conditions, Covenants & Restrictions. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 of the Conditions, Covenants and Restrictions shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty (60%) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

5.06. 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. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. The burden of proving the validity of any proxy undated or otherwise contested at any such meeting of the members shall fall upon the person seeking to exercise the same. A telegram or cablegram appearing to have been transmitted by a member or by his duly authorized attorney-in-fact may be accepted as a sufficiently written and executed proxy.

5.07. Election Inspectors. The Board of Directors, in advance of any meeting of the members, may appoint an election inspector or inspectors to act at such meeting (and at any adjournment thereof). If an election inspector or inspectors are not so appointed, the Chairman of the meeting may, or upon request of any person entitled to vote at the meeting shall, make such appointment. If any person appointed as an inspector fails to appear or act, a substitute may be appointed by the Chairman of the meeting. If appointed, the election inspector or inspectors (acting through a majority of them if there be more than one) shall determine the number of shares outstanding, the authenticity, validity and effect of proxies and the number of shares represented at the meeting in person and by proxy; they shall receive and count votes, ballots and consents and announce the results thereof; they shall hear and determine all challenges and questions pertaining to proxies and voting; and, in general, they shall perform such acts as may be proper to conduct

elections and voting with complete fairness to all members.

5.08. Organization and Conduct of Meetings. Each meeting of the members shall be called to order and thereafter chaired by the President of the Board of Directors; or if the President is unavailable, then by such other officer of the Association or such member as may be appointed by the Board of Directors. The Association's secretary shall act as secretary of each meeting of the members; in his absence the Chairman of the meeting may appoint any person to act as secretary thereat. After calling a meeting to order, the Chairman thereof may require the registration of all members intending to vote in person, and the filing of all proxies with the election inspector or inspectors, if one or more have been appointed (or, if not, with the Secretary of the meeting). After the announced time for such filing of proxies has ended, no further proxies or changes, substitutions or revocations of proxies shall be accepted. If directors are to be elected, a tabulation of the proxies so filed shall, if any person entitled to vote in such election so requests, be announced at the meeting (or any adjournment thereof) prior to the closing of the election polls. Absent a showing of bad faith on his part, the Chairman of a meeting shall, among other things, have absolute authority to fix the period of time allowed for the registration of members and the filing of proxies, to determine the order of business to be transacted at such meeting and to establish reasonable rules for

expediting the business of the meeting (including any informal, or question-and-answer portions thereof).

5.09. Member Approval or Ratification. The Board of Directors may submit any contract or act for approval or ratification of the Members, either at a duly constituted meeting of the Members (the notice of which either includes mention of the proposed submittal or is waived pursuant to Section 5.03) or by unanimous written consent to action without a meeting pursuant to Section 5.10. If any contract or act so submitted is approved or ratified by a majority of the votes cast thereon at such meeting or by such unanimous written consent, the same shall be valid and binding upon the Association as the act of its members pursuant to Sections 5.03 and 5.10.

5.10. Informalities and Irregularities. All informalities or irregularities in any call or notice of a meeting of the members or in the areas of credentials, proxies, quorums, voting and similar matters, shall be deemed waived if no objection is made at the meeting.

5.11. Action by Members without a Meeting. Any action required or permitted to be taken at a meeting of the members of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members entitled to vote with respect to the subject matter

thereof. Such consent shall have the same effect as a unanimous vote of the members of the Association.

5.12. Delegation. Any Owner may delegate, his right of enjoyment to the Common Area and facilities to the members of his family who reside on the property, or to contract purchasers in possession of the property.

ARTICLE VI. BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

6.01. Number. The affairs of this Association shall be managed by not less than five (5) nor more than nine (9) directors, who need not be Members of the Association.

6.02. Term of Office. At the first annual meeting the Members shall elect a Board of Directors to be divided into three (3) 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.

6.03. Removal. Any director may be removed from the Board,

with or without cause, by a majority vote of the Members of the Association.

6.04. Resignation. Any director 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 not be necessary to make it effective.

6.05. Filling of Vacancies on the Board. 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.

6.06. 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.

6.07. 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 VII. NOMINATION AND ELECTION OF DIRECTORS

7.01. Nomination. Nomination for election to the Board of Directors shall be made from among members or non-members. Nominations for election to the Board of Directors shall be made by a Nominating Committee consisting 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, and such appointment shall be announced at, each annual meeting of the Members. The Nominating Committee shall serve from the close of such annual meeting until the close of the next annual meeting, and 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.

Nominations may also be made from the floor at the annual meeting of Members.

7.02. 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.

ARTICLE VIII. MEETINGS OF DIRECTORS

8.01. Regular Meetings. A regular annual meeting of the Board of Directors shall be held immediately after and at the same place as each annual meeting of the Members. Regular meetings, other than the annual ones, shall be held monthly at such place and hour as may be fixed from time to time by resolution of the Board, and without other notice. 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.

8.02. Special Meetings. Special meetings of the Board of Directors shall be held whenever and wherever called for by the president of the Association or by the number of directors which would be required to constitute a quorum.

8.03. 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.

8.04. Voting. Any question submitted to any meeting or adjourned meeting of the Board of Directors shall be resolved by a majority of the votes cast thereon; in case of an equality of

votes, the Chairman of the meeting shall have a second or deciding vote.

8.05. Notices. No notice need be given of regular meetings of the Board of Directors. Written notice of the time and place (but not necessarily the purpose or all of the purposes) of any special meeting shall be given to each Director in person or via mail or telegram addressed to him at his latest address appearing on the Association's records. Notice to any Director of any such special meeting shall be deemed given sufficiently in advance when, if given by mail, the same is deposited in the United States mails, with first class postage prepaid, at least four days before the meeting date, or if personally delivered or given by telegram, the same is handed to the Director, or the telegram is delivered to the telegraph office for fast transmittal, at least 48 hours prior to the convening of the meeting. Any Director may waive call or notice of any meeting (and any adjournment thereof) at any time before, during which or after it is held. Attendance of a Director at any meeting shall automatically evidence his waiver of call and notice of such meeting (and any adjournment thereof) unless he is attending the meeting for the express purpose of objecting to the transaction of business thereat because it has not been properly called or noticed.

No call or notice of a meeting of Directors shall be necessary if each of them waives the same in writing or by

attendance as aforesaid. Any meeting, once properly called and noticed (or as to which call and notice have been waived as aforesaid) and at which a quorum is formed, may be adjourned to another time and/or place by a majority of those in attendance.

ARTICLE IX. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

- 9.01. 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 Members and their guests thereon, and to establish penalties for the infraction thereof;
 - (b) suspend the voting rights and 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.
 - (c) suspend the voting rights and right to use of the recreational facilities of a Member, after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations under Section 9.01(a);
 - (d) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to Members by other provisions of these By-Laws, the Articles of

Incorporation, or the Declaration;

(e) 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;

(f) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

(g) increase or decrease its size within the limits set forth in Section 6.01 and, pending the next annual meeting of the members, to fill any vacancies which may occur on the Board of Directors, whether resulting from an increase in the size of that Board as aforesaid or as a result of the death, resignation or removal of a director; in the event of the death, resignation or removal of a director, his successor shall serve for the unexpired term of his predecessor;

(h) name one or more of its Members as an Executive Committee, by resolution adopted by a majority of the whole Board. Such Executive Committee shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association while the Board is not in session, subject to such limitations as may be included in the Board's resolution; provided, however, that such Executive Committee shall not have the authority of the Board of Directors in reference to the following matters:

(1) the submission to the Members of any action that requires their authorization or approval under applicable law; (2) the filling of vacancies on the Board of Directors or in any committee of the Board of Directors; (3) the amendment or repeal of these Bylaws, or the adoption of new Bylaws; and (4) the fixing of compensation of Directors for serving on the Board or on any committee of the Board of Directors. A majority of those named to the Executive Committee shall constitute a quorum.

(i) appoint, from time to time, by resolution adopted by a majority of the whole Board, other standing or temporary committees from its membership and vest such committees with such powers as the Board may include in its resolution; provided, however, that such committees shall be restricted in their authority as specifically set forth with respect to the Executive Committee in Section 9.01(g) above. A majority of those named to any such committees shall constitute a quorum.

(j) charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(k) dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of

members has been recorded.

(1) permanently assign two (2) vehicle parking spaces for each dwelling.

9.02. 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 Members 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 for which assessments are not paid within thirty (30) days after due date or to bring

an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

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

(g) cause the Common Area to be maintained.

(h) procure and maintain adequate liability and hazard insurance on property owned by the Association;

9.03. Maintenance

(a). By the Association:

The responsibility of the Association shall be as follows:

(1) In addition to maintenance upon the common area, the Association shall provide exterior maintenance upon each lot which is subject to assessment hereunder as follows:

Paint and/or repair exterior walls, replace and care of trees, shrubs, walks and other exterior improvements

except such exterior maintenance shall not include doors, windows and appurtenant hardware opening to within, heating and air conditioning components or rear yard planting.

(2) Notwithstanding the foregoing, the Association shall have the authority to require owners to maintain, repair and replace all damages to windows, doors and appurtenant hardware.

(b) By the Owner:

The responsibility of each owner shall be as follows:

(1) To maintain, repair and replace, at his expense, all portions of his townhome including, but not limited to, property damaged or destroyed by casualty loss, except the portions to be maintained, repaired or replaced by the Association. Such work shall be done without disturbing the rights of other owners.

(2) The portions of a townhome to be maintained, repaired and replaced by the owner thereof at his expense shall include, but not limited to the following items: air conditioning, refrigeration and heating equipment, fans, service equipment and appliances such as dishwasher, clothes washer and dryer, refrigerator, oven, stove, disposal and water heater, regardless of whether such items are built-in fixtures; all interior fixtures such as electrical and plumbing fixtures; floor covering and all interior surfaces, including but

not limited to inside walls, ceilings, windows, doors and appurtenant hardware.

(3) Each Owner shall be responsible for his own lot's utility costs, ad valorem taxes (for both the lot and improvements thereon and the owner's undivided interest in the Common Areas), and roof maintenance and repairs for the improvements to his lot. If a roof must be repaired or replaced, it shall conform to the same architectural design and style of the original roof.

(4) Each owner shall be responsible for and pay for all damage he, his guests or employees may cause to his or any other owner's property or to the property held in common.

9.04. Insurance; Repairing damages to Property

(a) The Association shall secure insurance coverage so that a blanket insurance policy is in force at all times covering all common areas with liability insurance in the amount of \$1,000,000.00 for each occurrence on combined limits public liability on a comprehensive form, or in the event of separate limits, in an amount not less than \$500,000.00 for each person and \$500,000.00 for each occurrence for bodily injury liability and in an amount of not less than \$500,000.00 for property damage liability. The aforementioned policy shall insure fire, extended coverage and special form coverage in an amount sufficient to adequately and properly insure the replacement cost of structures, and improvements on lots and common areas. The

Association shall obtain and maintain such workmen's compensation and employer's liability insurance as may be necessary to comply with applicable laws.

(b) The Association shall also have the power or authority to obtain and maintain other and additional insurance coverage, including, without limitation, casualty insurance covering personal property of the Association, fidelity bonds or insurance covering employees and agents of the Association and insurance indemnifying officers, directors, employees and agents of the Association.

(c) All insurance policies purchased by the Association shall be for the benefit of the Association and the dwelling unit owner, and their mortgagees as their interest may appear, and shall provide that all proceeds covering property losses shall be paid to the Association. Notwithstanding anything herein to the contrary, the Association shall hold all insurance proceeds collected by it in trust for rebuilding the damaged common areas and dwelling unit building. The Association or its agents shall have exclusive authority to negotiate with the insurance carrier and to adjust losses, make settlements and give releases to the insurance carrier and to collect monies from the insurance carrier.

(d) In the event of damage or destruction to the property by fire or other casualty, the Board of Directors shall, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the property to as good

condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, federally insured, with the proviso agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall contract with any licensed contractor and may require the contractor to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed building or buildings. In the event insurance proceeds are insufficient to pay all costs of repairing and/or rebuilding to its former condition, the Board of Directors shall levy a special assessment against the lot owner whose unit was damaged to make up any such deficiency. The proportion of said deficiency which shall be assessed against each said damaged dwelling unit shall be in the same proportion that the cost of repair of each said dwelling unit bore to the total cost of repairs required to be made to the dwelling unit building which was damaged; provided, however, that the special assessment shall be levied equally against all lot owners to make up any deficiency for repair or rebuilding of the common areas not a physical part of the lot. In the event such insurance proceeds exceed the cost of repair and reconstruction, such excess shall be paid over to the respective mortgagees and owners as their interest may then appear. Such payments shall be made to all such owners and their mortgagees in proportion to their undivided

interests.

(e) If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association for any reason including without limitation the existence of a deductible in the insurance policy, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the dwelling unit owners as described above.

(f) All said special assessments shall be paid within sixty days from the date of levy and be enforced by foreclosure in the same manner as is specified for foreclosure of the liens for unpaid monthly assessments.

(g) Any reconstruction or repair must be substantially in accordance with the plans and specification for the original building or, if not, then according to plans and specifications approved the Board of Directors of the Association, and by the Owners of all damaged property therein, which approvals shall not be unreasonably withheld.

(h) As to damage which is only to those parts of a dwelling unit for which the responsibility of maintenance and repair is that of the dwelling unit owner, then the dwelling unit owner shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility for reconstruction and repair after casualty shall be that of the Association; provided however, that only the interior walls of

the dwelling unit which were originally built in said dwelling unit shall be restored by the Association, and provided the particular loss is covered by the insurance provided by the Association. Except to the extent coverage therefor may be obtained by the Association and be satisfactory to an owner, each owner shall be responsible for obtaining insurance he deems desirable, including insurance covering his furnishings and personal property and covering personal liability of him and his employees, agent and invitees. Any insurance policy obtained by an owner shall be such that it will not diminish or adversely effect or invalidate any insurance or insurance recovery under policies carried by the Association and shall, to the extent possible, contain a waiver of the rights of subrogation by the insurer as to any claim against the Association, its officers, directors, agents and employees and against other owners and their employees, agents and invitees.

9.05. Party Walls and other reconstruction

(a) After the original buildings, fences, walls or other structures have been built upon a dwelling unit, no building, fence, wall or other structure shall be commenced, erected, or maintained upon the properties, nor shall any exterior addition to or change, or alteration thereto be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board

of Directors of the Association by a unanimous vote. Said Board of Directors shall have the right to deny approval of any plans or specifications which are not, in its opinion, suitable or desirable for aesthetic or any other reasons. Neither the Association, developer trustees or their agents shall have any liability by reason of the approval or non-approval of any plans or specifications pursuant to this paragraph.

(b) Each wall built as a part of the original construction of a building upon the properties and placed on the dividing line between the dwelling units shall constitute a party wall, and, with respect thereto, to the extent not inconsistent with the provisions of this article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply.

(c) The cost of reasonable repair and maintenance of a party wall shall be shared equally by the owners of the dwelling units which are divided by the said wall. If the party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it; he/they shall contribute to the costs of restoration thereof in proportion to such use without prejudice, however to the right of any such owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Notwithstanding any other provision of this article, an owner who by his negligent or willful act causes the party wall

to be exposed to the elements shall bear the whole cost of furnishing the necessary protective against such elements.

(e) The right of any owner to contribution by any other owner under this article shall be appurtenant to the land and shall bind such owner's successors in title.

(f) In the event of any dispute arising concerning a party wall, or under the provisions of this article, each party shall choose one arbitrator and the two arbitrators shall choose a third arbitrator, and the decision shall be by a majority of all the arbitrators.

(g) No private agreements between any owners may modify the terms and provisions of these presents.

9.06. Rights of Members

(a) Every member shall have a right and easement of enjoyment in and to the common areas and such easement shall be appurtenant to and shall pass with the title to every assessed lot, subject to the following provisions:

(1) The right of the Association to limit the number of guests to members;

(2) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common areas;

(3) The right of the Association to suspend the voting rights and right to use of the recreational facilities by a member for any period during which

any assessment against his lot remains unpaid; and for a period not to exceed 120 days for any infraction of its published rules and regulations.

(b) Any member may delegate, in accordance with the By-Laws, his right of enjoyment to the common areas and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

9.07. Miscellaneous Provisions

(a) Responsibility for the supply and maintenance of electricity, gas, and all other utilities serving the lot which are not otherwise to be paid for by the Association as provided for herein, shall remain with the owners of lots in the same manner as is normal and customary with owners of single family residences.

(b) Easements to permit the placing of sewer lines, telephone lines, electrical and television cables, and natural gas pipelines along, under, around, adjacent to, and across the common areas and streets which are subject to these restrictions are hereby granted and established; this shall include the right to excavate said sewer and/or telephone line or lines, electrical and television cables and natural gas pipeline in a workmanlike manner. This right shall be exercised in such a manner as to preserve the greatest amount of the then existing landscaping. The location of this easement upon any common area or street shall be determined by the Board of Directors, provided that the location meets the approval of any public agency requesting

easements.

(c) No part of the Property shall be used for other than housing and the related common purposes for which the Property was designed, except that Declarant reserves the right to maintain sales offices, model units, and signs, on the Property, together with rights of ingress and egress therefrom, until all units shall have been sold and conveyed by Declarant. Each unit or any two or more adjoining units used together shall be used as a residence or such other use as permitted by this Declaration and for no other purpose. That part of the common elements separating any two or more adjoining units used together as aforesaid may be altered to afford ingress and egress to and from such adjoining units provided all expense of making such alterations is paid in full by the owner. The foregoing restrictions as to residence shall not however, be construed in such manner as to prohibit an owner from (a) maintaining his personal professional library therein, (b) keeping his personal business or professional records or accounts therein, or (c) handling his personal business or professional telephone calls or correspondence therefrom. Such uses are expressly declared customarily incident to the principal residential use and not in violation of this Declaration.

(d) Except insofar as easements for other purposes have been, herein are or may hereafter be granted for other purposes, the common elements shall be used only for access, ingress and egress to and from the respective units by the owners residing

therein and their guests, household help and other authorized visitors and for such other purpose as are incidental to the residential use of the unit. The use, maintenance and operation of the common elements, including without limitation the sewers and utilities comprising a part thereof, will not be obstructed, damaged or unreasonably interfered with by any owner.

(e) Each building on each lot shall only be used for single-family residential purposes, except for the models and the tract office. No building shall be erected, altered, placed or permitted to remain on any lot other than one single-family dwelling. This provision does not preclude the erection of a temporary construction shack and allied structures on the properties during the construction and sale period.

(f) All trees and other vegetation on any of said property shall be kept trimmed to a height which will not materially interfere with the principal view from neighboring building sites (over such vegetation) and of surrounding landscapes. No trees or other plants which would grow to such a size as to extend outside the boundary of a lot shall be planted by a homeowner without the advance written permission of the Grantor.

(g) No planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon any individual lots contained the subdivision, except (1) such as are installed in accordance with the initial construction of improvements located thereon or (2) as approved by the Board of Directors or its designated representatives, or (3) within areas

entirely enclosed by patio walls and/or dwelling units.

(h) The native growth of said property, including without limitation cacti, mesquite and Palo Verde trees, shall not be destroyed or removed from any of the lots in said property by any of the lot owners, except such native growth as it may be necessary to remove for the construction and maintenance of roads, driveways, single-family dwellings and necessary garages and other outbuildings related to said residence and walled-in service yards and patios, unless written permission is first obtained from the Association. In the event such growth is removed or destroyed without such approval, Grantor may require the replanting or replacement or same, the cost thereof to be borne by the lot owner.

(i) No personal plantings or growing of any type of vegetation is permitted on the common areas without the prior written approval of the Board of Directors.

(j) Each and every lot within the subdivision shall be subject to all of the terms and conditions of this Declaration of Covenants, Conditions, and Restrictions, as the same may hereafter be amended.

(k) No person shall be permitted to paint the exterior of any building within the subdivision without first obtaining the written approval of the Board of Directors.

ARTICLE X. OFFICERS AND THEIR DUTIES

10.01. 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 may from time to time by resolution create.

10.02. 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, but elections or appointments of officers may be held at any other meeting of the Board. A person elected or appointed to any office shall continue to hold that office until the election or appointment of his successor, subject to action earlier taken pursuant to Sections 10.04 or 10.06.

10.03. 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.

10.04. Removal or Delegations. The Board of Directors may, whenever in its judgment the best interests of the Association will be served thereby, remove any officer or agent of the Association or temporarily delegate his powers and duties to any other officer or to any Director. Such removal or delegation shall be without prejudice to the contract rights, if any, of the person so removed or whose powers and duties have been delegated. Election or appointment of an officer or agent shall not of itself create contract rights.

10.05. 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.

10.06. Resignation. 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 not be necessary to make it effective.

10.07. 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.

10.08. Multiple Offices. 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 10.05.

10.09. 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 notes 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 XI. COMMITTEES

11.01. Establishment of Standing and Other 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 may appoint other committees as deemed appropriate in carrying out its purpose.

11.02. Removal of Committee Member. The Board of Directors may, whenever in its judgment the best interests of the Association will be served thereby, remove any Committee Member or temporarily delegate his powers and duties to any other person possessing the necessary qualifications. Such removal or delegation shall be without prejudice to the contract rights, if any, of the person so removed or whose powers and duties have been delegated. Appointment of a Committee Member shall not of itself create contract rights.

11.03. Resignation of Committee Member. Any Committee Member 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 not be necessary to make it effective.

11.04. Vacancies. A vacancy in any Committee may be filled by appointment by the Board. The person appointed to fill such vacancy shall serve for the remainder of the term of the Committee Member he replaces.

ARTICLE XII. BOOKS AND RECORDS

12.01. Availability for Inspection by Members. The books, 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 XIII. ASSESSMENTS

13.01. Obligation; Lien; Interest; Foreclosure. 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. 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 six (6%) percent per annum, and 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 attorneys' fees of any such action shall be added to the amount of such assessments. 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.

ARTICLE XIV. CORPORATE SEAL

14.01. Form Thereof. The Association shall have a seal in circular form having within its circumference the words: MIRA LOMA HOMEOWNERS ASSOCIATION, INC.

ARTICLE XV. AMENDMENTS

15.01. These By-Laws may be amended at a regular or special meeting of the Members by a vote of majority of a quorum of Members present in person or by proxy.

15.02. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVI. MISCELLANEOUS

16.01. Fiscal Year. The fiscal year of the Association shall begin on the first 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, we being all of the directors of the MIRA LOMA HOMEOWNERS ASSOCIATION, have hereunto set our hands this date: _____.

DEAN KELLER

JACK SHERWOOD

DON MARVIN

CERTIFICATION

The undersigned certify that:

- 1. After a diligent search of the records of Mira Loma Homeowners Association, a signed copy of the By-Laws of the corporation was not found.
- 2. The foregoing By-Laws is a true and correct copy of the By-Laws under which the Association has been operating; and, to the best of our knowledge, these have been the By-Laws for the Mira Loma Homeowners Association since its inception.
- 3. To the best of our knowledge, there have been no amendments to the foregoing By-Laws, which remain in full force and effect.

MIRA LOMA HOMEOWNERS ASSOCIATION,
INC., an Arizona non-profit corporation

By: Edith K. Kleiss
Its: President

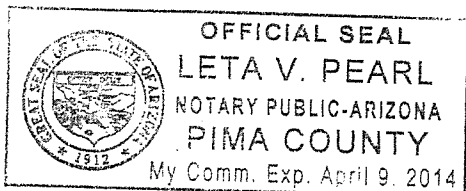
ATTEST:

Louisa Cantarini
Secretary

STATE OF ARIZONA)
) ss.
County of Pima)

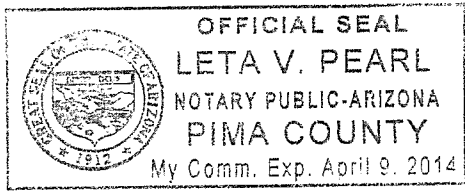
SUBSCRIBED AND SWORN TO before me this 20th day of March, 2014, by Edith K. Kleiss, President of Mira Loma Homeowners Association, Inc., an Arizona non-profit corporation.

Letta V. Pearl
Notary Public



STATE OF ARIZONA)
) ss.
County of Pima)

SUBSCRIBED AND SWORN TO before me this 20th day of March, 2014, by Laura Ann Desfrini, Secretary of Mira Loma Homeowners Association, Inc., an Arizona non-profit corporation.



Leta V. Pearl
Notary Public

