



Lakes at Castle Rock Homeowners Association



BYLAWS

OF

THE CASTLE ROCK HOMEOWNERS ASSOCIATION

Current As Of February 2014

**Please Note:
Currently there are three
Amendments to these bylaws
and may be found at the
end of the original
Bylaws dated December 1999.**

Be sure to check for amendments.

**AMENDED AND RESTATED
BYLAWS
OF
THE CASTLE ROCK HOMEOWNERS ASSOCIATION**

ARTICLE I

1. Definitions.

"The Declaration" shall mean that certain Declaration of Covenants, Conditions and Restrictions for Castle Rock, as recorded in the office of the County Recorder, Pima County, Arizona, in Docket 8003 at page 1535, *et seq.*, as the same may be amended or restated from time to time.

"Corporation" shall mean Castle Rock Homeowners Association, Inc., an Arizona non-profit corporation.

All other defined terms (as indicated by an initial capital letter) shall have the same meanings as defined in the Declaration.

ARTICLE II

2. Membership and Voting.

2.1 Membership. Provisions relating to membership in the Association are contained in the Articles and the Declaration, as such documents may be amended from time to time, including without limitation Article V of the Articles and paragraph 3.2 of the Declaration.

2.2 Quorum. Provisions relating to a quorum are contained in the Declaration, including without limitation, paragraph 3.5 thereof.

2.3 Voting. Provisions relating to voting are contained in the Articles and the Declaration, including without limitation, Article VI of the Articles and paragraph 3.4 of the Declaration.

2.4 Proxies. Provisions relating to proxies are contained in the Declaration, including without limitation, paragraph 3.4(F) of the Declaration.

2.5 Action Without Meeting. Any action which may be taken at a meeting of the Board or of Members may be taken without a meeting if authorized by a writing signed by all of the Board or all of the Members, as applicable, who would be entitled to vote upon

such action at a meeting and filed with the Secretary of the Corporation.

2.6 Place of Meeting of Members. Meetings of Members of the Corporation shall be held at the principal office of the Corporation or such other suitable place as may be designated by the Board of Directors.

2.7 Annual Meetings of Members. An annual meeting of the Members of the Corporation shall be held on the second Wednesday in January of each year.

2.8 Special Meetings of Members. The President of the Corporation shall call a special meeting of Members as directed by resolution of the Board of Directors or upon a petition signed by Members holding at least one-tenth of the outstanding votes in the Corporation which would be entitled to be cast at such meeting. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice except by consent of Members present, in person or by proxy, who hold at least seventy-five percent (75%) of the total numbers of votes entitled to be cast at such meeting.

2.9 Notice of Meeting. The Secretary of the Corporation shall mail a notice of each annual or special meeting, stating the time and place where it is to be held (and in the case of a special meeting, the purposes thereof), to each Member entitled to vote at such meeting, not less than ten days nor more than fifty days prior to such meeting. The mailing of a notice in the manner provided in this section shall be considered notice served. When a meeting of Members is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting from which the adjournment is taken; provided, however, that, if the adjournment is for more than thirty days, a notice of the adjourned meeting shall be given to each Member entitled to vote at such meeting. At the adjourned meeting, the Members may transact any business which might have been transacted at the original meeting.

2.10 Order of Business. The order of business at all meetings of Members shall be as follows:

- A. Proof of notice of meeting or waiver of notice;
- B. Reading of minutes of preceding meeting, if any;
- C. Reports of officers, if any;
- D. Reports of committees, if any;
- E. Election of directors (if it is an annual meeting);
- F. Unfinished business;

G. New business.

At such annual meeting of Members, an estimate of the total annual expenses of the Corporation for the calendar year in which such membership meeting is held shall be determined. For purposes of the foregoing, "common expenses" shall include:

1. Maintenance, management, operation, repair and replacement of the real and personal property owned by, or under the control of, the Corporation.
2. Costs of management and administration of the Corporation, including, but not limited to, compensation paid by the Corporation to managers, accountants, attorneys and employees.
3. The costs of utilities, including, but not limited to, water, electricity, gas, sewer, trash pickup and disposal, which are provided to the property owned by, or under the control of, the Corporation.
4. The costs of fire, casualty, liability, workmen's compensation and other insurance covering the property owned by, or under the control of, the Corporation.
5. The costs of any other insurance obtained by the Corporation.
6. Reasonable reserves for contingencies, replacements and other proper purposes as deemed appropriate by the Board of Directors of the Corporation.
7. The costs of bonding the Members of the Board of Directors and officers of the Corporation, any professional managing agent or other person handling the funds of the Corporation.
8. Taxes or assessments owing by the Corporation.
9. Amounts paid by the Corporation for discharge of any lien or encumbrance levied against the property owned by, or under the control of, the Corporation.
10. Costs incurred by committees established by the Board of Directors or the President of the Corporation.
11. Costs of security guards and operation of guard gates or houses and/or key gates at designated entrances to the Property, and any other security systems or services installed, operated or contracted for by the Corporation.
12. Costs of providing the architectural and developmental review services through the Design Review Committee of the Corporation.

13. The costs of any other item or items designated by, or to be provided or performed by, the Corporation pursuant to the Declaration, the Articles of Incorporation of the Corporation or these Bylaws, or in the discharge of any duties or powers of the Corporation.

ARTICLE III

3. Board of Directors.

3.1 **Number and Qualification.** The affairs of the Corporation shall be governed by a Board of Directors comprised of not less than three, not more than nine, individuals as fixed and established from time to time by resolution of the Board of Directors of the Corporation. No decrease in the number of directors shall have the effect of decreasing the term of any incumbent director. Unless the number of directors is otherwise fixed by the Board, the Board shall be comprised of five directors.

3.2 **Powers and Duties.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Corporation. Without limiting the generality of the foregoing, the Board of Directors, on behalf of the Corporation, shall have the right to do all acts necessary or appropriate and shall have the right to pay out of corporate funds all expenses to provide for the following:

A. To maintain, care for and repair real or personal property owned by, or under the control of, the Corporation.

B. To obtain directors' liability insurance, general liability insurance, hazard insurance, fidelity insurance or workmen's compensation insurance, and such other insurance in such amounts and through such insurers as the Board of Directors may determine.

C. To obtain legal, accounting, architectural and other services necessary, required or desirable, as determined by the Board of Directors of the Corporation.

D. To fix, determine, levy and collect assessments to be used for payment of the expenses of the Corporation, as provided in the Declaration.

E. To collect delinquent assessments from any person by suit, foreclosure of assessment lien or otherwise and to enjoin or seek damages from any person for failure to pay assessments.

F. To enforce against any person, by suit or otherwise, the provisions of the Declaration.

G. To establish a bank account or accounts for the common treasury and for the funds of the Corporation as may be deemed advisable by the Board of Directors.

H. In general, to perform all functions and duties and to exercise all powers as are set forth in the Declaration, the Articles of Incorporation of the Corporation and in the other provisions of these Bylaws.

3.3 Management Agent. The Board of Directors may employ for the Corporation a management agent, at a compensation established by the Board of Directors, to perform such duties and services as the Board shall direct. The management agent may be the Developer or an affiliate, officer, director or employee of the Developer.

3.4 Election and Term of Office. Except as otherwise set forth herein, the Members of the Board of Directors shall be elected at the regular annual meeting of Members of the Corporation, by a plurality vote of the Members who are present in person or by proxy and entitled to vote at such meeting, for a term of one year and shall hold office until their successors are elected and qualified. Prior to such annual meeting of Members of the Corporation, the Board of Directors shall nominate a slate of nominees for the Board of Directors and such slate shall include nominees residing in at least two different Phases of Castle Rock. Additionally, a Developer, a Builder or four or more Members entitled to vote for directors may nominate persons for the Board of Directors at a meeting held for such election. In no event shall more than one Member from any Phase be elected to the Board, except for employees or agents of Developer or Builders. All Directors, except for employees or agents of a Developer or a Builder must be Members.

3.5 Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a director by vote of the Members of the Corporation shall be filled by vote of a majority of the remaining directors, even though they constitute less than a quorum or by a sole remaining director and each person so elected shall hold office for the unexpired term of his predecessor and until his successor is duly elected and qualified.

3.6 Removal of Directors. At any regular or special meeting of Members of the Corporation, any one or more of the directors may be removed with or without cause by a majority vote of the Members who are present in person or by proxy and entitled to vote at such meeting and, thereupon, a successor shall then and there be elected by the Members present in person or by proxy and entitled to vote to fill the vacancy thus created. Any director whose removal has been proposed by the Members shall be given an opportunity to be heard at such meeting.

3.7 Organization Meeting. The first meeting of a newly elected Board of Directors shall be held immediately after the Members' annual membership meeting at which such directors were elected and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board

of Directors shall be present.

3.8 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 Super-Majority Approval of the directors. No notice need be given for regular meetings of the Board of Directors.

3.9 Special Meetings. Special meetings of the Board of Directors may be called by the President of the Corporation, on five days notice given to each directors by mail, or on one day notice given personally or by telephone or telegraph, which notice shall state the time and place 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 two directors.

3.10 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 a 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 be less than a quorum present, the majority of those present may adjourn the meeting, from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

3.11 Fidelity Bonds. The Board of Directors may require that all officers and employees of the Corporation handling or responsible for Corporation funds shall furnish adequate fidelity bonds. The premiums for such bonds shall be paid by the Corporation.

3.12 Signatures. All agreements, checks, drafts, notes or other instruments to be executed by the Corporation shall be signed by such of the officers of the Corporation or by such other person or persons as may be authorized by the Board of Directors.

ARTICLE IV

4. Officers.

4.1 Designation. The principal officers of the Corporation shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The same person may hold more than one office simultaneously, except that the same person shall not hold the offices of President and Secretary simultaneously.

4.2 Election of Officers. The officers of the Corporation shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

4.3 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 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.

4.4 President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the Corporation and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President of a corporation, including, but not limited to, the power to appoint committees from among the Members from time to time, as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Corporation.

4.5 Vice President. The Vice President shall take the place of the President and perform his 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 by the Board of Directors.

4.6 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Corporation; he shall have charge of such books and papers as the Board of Directors shall direct, and he shall, in general, perform all the duties incident to the office of Secretary.

4.7 Treasurer. The Treasurer shall have responsibility for Corporation funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Corporation. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Corporation in such depositories as may, from time to time, be designated by the Board of Directors.

ARTICLE V

5. Committees.

5.1 Committees. A majority of the full Board of Directors may designate from among the directors one or more committees each of which may be given all the authority of the Board of Directors, except no such committee may exercise the authority of the Board of Directors in reference to the following matters:

A. Submission to the Members of any matter that requires an act of the Members.

B. Filling vacancies on the Board of Directors or on any committee of the Board of Directors.

C. Adoption, amendment or repeal of bylaws.

D. Fixing compensation of directors.

The Board of Directors, with or without cause, may dissolve any such committee or remove any director from the committee at any time. The designation of any such committee and the delegation of authority shall not operate to relieve the Board of Directors or any director of any responsibility imposed by law.

5.2 Design Review Committee. The Design Review Committee of the Corporation shall be the Board of Directors unless otherwise established by the Board of Directors, and shall have the powers and perform those functions, as set forth in the Declaration.

ARTICLE VI

6. Indemnification of Officers and Directors.

6.1 Indemnification. The Corporation shall indemnify every director and officer, and his or her heirs and person representatives, against all loss, cost and expense, including counsel fees, reasonably incurred by him or her in connection with any action, suit or proceeding to which he or she may be a party by reason of his or her being or having been a director or officer of the Corporation, except as to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct. In the event of a settlement of any action, suit or proceeding, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Corporation is advised by counsel that the person to be indemnified has not been guilty of negligence or misconduct in the performance of his or her duties as such director or officer in relation to the matter involved. The foregoing right 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 Corporation by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Corporation as common expenses.

ARTICLE VII

7. Amendment to Bylaws.

7.1 Amendment. These Bylaws may be amended, altered or repealed at a duly constituted meeting of the Board of Directors upon a vote of at least 75% of the directors

present at such meeting; provided that not less than five days notice of such meeting shall be given and provided further that a copy of any proposed amendment shall be delivered with such notice. Until December 31, 1998, any amendment to these Bylaws shall also require the unanimous approval of all Developers and Builders.

ARTICLE VIII

8. Evidence of Ownership and Registration of Mailing Address.

8.1 **Proof of Ownership.** Any person, upon acquiring any Ownership Interest in any Lot, shall furnish to the Secretary of the Corporation a photocopy or a certified copy of the instrument whereby such person acquired such Ownership Interest, which instrument shall remain in the files of the Corporation.

8.2 **Registration of Mailing Address.** Each Member shall have one registered mailing address to be used by the Corporation for mailing of assessment statements, notices, demands and all other communications and such registered address shall be the only mailing address of such Member to be used by the Corporation. Such registered address of a Member shall be furnished by such Member to the Secretary of the Corporation within five days after such Member has acquired an Ownership Interest in any Lot; such registration shall be in written form and shall be signed by such Member. A Member may change his registered address from time to time by written notice given to the Secretary of the Corporation. In the event a Member shall fail to furnish a registered address to the Corporation, assessment statements, notices, demands and other communications to such Member may be sent to the street address of any Lot owned by such Member or to any other known address of such Member.

ARTICLE IX

9. Nonprofit Corporation.

9.1 **Nonprofit Corporation.** This Corporation is not organized for profit. No Member or other person or persons shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof and in no event shall any part of the funds or assets of the Corporation be paid as salary or compensation to, or distributed to, or inure to the benefit of, any Member or other person. The foregoing, however, shall neither prevent nor restrict the following:

A. Reasonable compensation may be paid to any Member or director acting as an agent or employee of the Corporation for services rendered in effecting one or more of the purposes of the Corporation; and

B. Any Member or director may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Corporation.

ARTICLE X

10. Fiscal Year.

10.1 Fiscal Year. The fiscal year of the Corporation shall begin on January 1 and end on December 31 of each year.

ARTICLE XI

11. Miscellaneous. In the event of any inconsistency between the provisions of these Bylaws (as amended from time to time), and those of the Declaration (as amended from time to time), the provisions of the Declaration (as amended from time to time) shall govern.

IN WITNESS WHEREOF, the undersigned, consisting of all of the members of the Board of Directors, have executed these Bylaws this 12th day of APRIL, 19 95.



Director



Director



Director



Director

Director

The Lakes at Castle Rock Homeowners Association

PO Box 40790 Tucson, AZ 85717 Phone: (520) 795-6500 Fax: (520) 795-6500

ARTICLE III: ELECTION AND TERM OF OFFICE

Amendment to Section 3.4 of the Bylaws of the Association

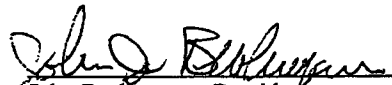
Section 3.4 Election and Terms of Office The Castle Rock Board of Directors proposes an amendment to the Bylaws of the Association; the removal of the following sentence from the above referenced section.

"In no event shall more than one Member from any Phase be elected to the Board, except for employees of agents of the Developer or Builder."

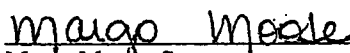
After giving effect to the proposed amendment, Article 3.4 of the Amended and Restated Bylaws of the Castle Rock Homeowners Association shall read as follows:

"Except as otherwise set forth herein, the Members of the Board of Directors shall be elected at the regular annual meeting of the Members of a Corporation, by a plurality vote of the Members who are present by proxy and entitled to vote at such meeting, for a term of one year and shall hold office until their successors are elected and qualified. Prior to such annual meeting of Members of the Corporation, the Board of Directors and such slate shall include nominees residing in at least two different Phases of Castle Rock. Additionally, a Developer, a Builder, or four or more Members entitled to vote for directors may nominate persons for the Board of Directors at a meeting held for such election. All Directors, except for employees or agents of a Developer or a Builder must be Members. No more than two members from any phase may be elected to the Board."

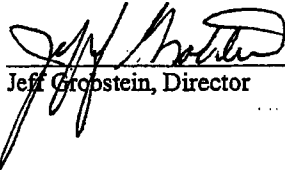
We, the undersigned, acknowledge that the amendment to Section 3.4 of the Bylaws of the Association has been accepted by seventy-five percent (75%) of the Castle Rock Board of Directors on December 30, 1999.


John Burlingame, President


Eleanor Arnold, Vice President


Margo Moose, Secretary


Vince Saunders, Treasurer


Jeff Gropstein, Director

The Castle Rock Homeowners Association

AMENDMENT TO THE BY-LAWS OF THE CASTLE ROCK HOMEOWNERS ASSOCIATION, INC

Pursuant to the provision of Article VII, Sec. 7.1, of the By-laws of THE CASTLE ROCK HOMEOWNERS ASSOCIATION, said By-laws are hereby amended as follows:

Section 2.7 of Article II is DELETED and a new Section 2.7 inserted as follows:

Section 2.7 - Annual Meetings of Members. An annual meeting of the Members of the Corporation shall be held on any day in the month of January.

DATED this 12 day of DEC., 2005

APPROVED:



PRESIDENT
THE CASTLE ROCK HOA



SECRETARY
THE CASTLE ROCK HOA

THE LAKES AT CASTLE ROCK
HOMEOWNERS' ASSOCIATION

THIRD AMENDMENT TO THE BYLAWS

This **Third** Amendment to the Bylaws for The Lakes at Castle Rock (The "Association") is made in recognition of the following:

- A. On April 12, 1995, The Board of Directors executed the Amended and Restated Bylaws for the Association.
- B. The Bylaws apply to the subdivision known as "The Lakes at Castle Rock".
- C. A First Amendment to the Bylaws, Section 7.1, was approved on December 30, 1999.
- D. A Second Amendment to the Bylaws, Section 3.4, was approved on December 12, 2005.
- E. A Third Amendment is hereby approved pursuant to Section 7.1 of the Bylaws which states that the Bylaws "may be amended, altered or repealed at a duly constituted meeting of the Board of Directors upon a vote of at least 75% of the directors present at such meeting; provided that not less than five days notice of such meeting shall be given and provided further that a copy of any proposed amendment shall be delivered with such notice.

NOW THEREFORE, **Section 3.4** is hereby amended as follows:

3.4 Election and Term of Office. Except as otherwise set forth herein, the Members of the Board of Directors shall be elected at the regular annual meeting of Members of the Corporation, by a plurality vote of the Members who are present in person or by **mail-in ballot** and entitled to vote at such a meeting, for a term of one year and shall hold office until their successors are elected and qualified. Prior to such annual meeting of Members of the Corporation, the Board of Directors shall nominate a slate of nominees for the Board of Directors and such slate shall include nominees residing in at least two different Phases of Castle Rock. Additionally, four or more Members entitled to vote for directors may nominate persons for the Board of Directors at a meeting held for such election. In no event shall more than **two** Members from any **one** Phase be elected to the Board, **and no less than four Phases shall be represented on any Board.** All Directors must be Members **in good standing.**

By their acknowledgement below, the undersigned hereby certify that, in accordance with Section 7.1 of the Bylaws, and at a duly noticed Special Meeting of the Board of Directors called on January 23, 2014, the Board voted affirmatively to approve this Third amendment.

IN WITNESS THEREOF, the undersigned hereby execute this Third Amendment to the Bylaws on behalf of the Board of Directors.

DATED this 23 day of JANUARY, 2014

APPROVED:


PRESIDENT


TREASURER