

The attached Amendment to the Bylaws of Casa Buena (Version 8.0) was approved by the Board of Directors on June 14, 2018 and amends Version 7.0 of the Bylaws that had been approved on February 8, 2017 by the Board of Directors and recorded on February 15, 2017.

The Version 8.0 changes were technical in nature and included:

- Changing the word Member to Owner so as to be consistent with terminology through the Bylaws and other Association documents.
- Changing the term absentee ballot to written ballot to be consistent with the HOA Rules and other Association documents.
- Removing filing Corporation Commission reports from the Treasurer's responsibilities and adding to the Secretary's responsibilities.

Summarized by

David H. Black
President, Casa Buena Homeowners' Association
June 18, 2018

BYLAWS
of
CASA BUENA HOMEOWNERS ASSOCIATION

ARTICLE I

Offices

Section 1. Principal Offices. The principal office of the Association shall be in the State of Arizona at a place and location as designated by the Board of Directors from time to time.

Section 2. Other Offices. The Association may establish such office or offices at such other places as the Board of Directors may from time to time designate.

ARTICLE II

Definitions

Section 1. "Association" shall mean and refer to CASA BUENA HOMEOWNERS ASSOCIATION, a nonprofit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of equitable title (or legal title if equitable title has merged) of any Lot which is a part of the Properties. Owner shall not include a person or entity having an ownership interest merely as security for the performance of an obligation. In the case of Lots, the fee simple title to which is vested of record in a Trustee pursuant to Arizona Revised Statutes, Section 33-801, et seq., legal title shall be deemed to be in the Trustor.

Section 3. "Properties" shall mean and refer to that certain real property hereinafter described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" and "Common Elements" shall be synonymous and shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area shall be that area described and designated as Tracts B and C, CASA BUENA, according to the plats of record in the Office of the County Recorder of Maricopa County, Arizona, in Book 192 of Maps, Page 22 thereof, and Tracts D and G, CASA BUENA II, according to the plats of record in the Office of the County Recorder of Maricopa County, Arizona in Book 199 of Maps, Page 46 thereof, and shall include such additional common areas as are designated within any property that may hereafter be brought within the jurisdiction of the Association.

Section 5. "Lot," "Parcel," "Residence," "House" and "Residence Unit" shall be synonymous and shall mean and refer to any plot of land (including all improvements thereon and appurtenances thereto) shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to US Life Title Company of Arizona, as Trustee, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Developer" and "Builder" shall be synonymous and shall mean and refer to Wood Bros. Homes, Inc. and its successors or assigns, and to any other contractor who builds for resale a significant number of houses on the subject property.

Section 8. "Declaration" shall mean and refer to the recorded Declaration of Covenants, Conditions and restrictions, as from time to time amended, applicable to the property described in Article III hereof: Declaration of Covenants, Conditions and Restrictions of CASA BUENA recorded on August 29, 1917, in Docket 12402, Pages 1344 through 1357, inclusive, and an Amendment to Declaration of Covenants, Conditions and Restrictions of CASA BUENA was recorded on May 17, 1978, in Docket 12911, at Pages 705 through 711, inclusive. , and a Second Amendment to Declaration of Covenants, conditions and Restrictions of CASA BUENA was recorded on January 10, 1983, as document number 83-009881, with the Maricopa County Recorder's Office, and a Third Amendment to Declaration of Covenants, Conditions and Restrictions of CASA BUENA, was recorded on December 8. 1983, as document number 83-492495. with the Maricopa County Recorder's Office, and a Fourth Amendment to Declaration of Covenants, Conditions and Restrictions of CASA BUENA, was recorded an January 16, 1987, as document number 87-029911, and thereafter Restated in Document No. 1987-0241163 with the Maricopa County Recorder's Office (hereafter collectively "Original Declaration") and thereafter Amended and Restated on the 4th day of February, 2013, as Document No. 20130111216. Maricopa County Recorder's Office (hereafter "Declaration") and by the First Amendment to Second Declaration for Casa Buena Homeowners Association recorded on the 19th day of September 2013 as Document No. 201308394222. Maricopa County Recorder's Office (hereafter "First Amendment").

Section 9. "Owner" shall mean and refer to the record owner, whether one or more persons.

ARTICLE III

Eligibility for Membership

Membership in the Association shall be limited to record owners of equitable title (or of legal title if equitable title has merged) of Parcels contained within the following described premises:

Lots 1 through 94, inclusive, and Tracts B and C, CASA BUENA, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in Book 192 of Maps, page 22 thereof,

and Lots 95 through 141, inclusive and Tracts D, E and G, CASA BUENA II, according to the plats of record in the Office of the County Recorder of Maricopa County, Arizona in Book 199 of Maps, Page 46 thereof

One membership in the Association shall be established and defined under the Declaration.

ARTICLE IV

Owners Meeting

Section 1. Annual Meetings. Annual meetings of the Owners shall be held on the last week of February of each year, or at such other time and place as the Board of Directors shall determine. At such meeting, there shall be elected a Board of Directors in accordance with the requirements of Article V of these Bylaws. The Owners of the Association may also transact such other business of the Association as may properly come before them. Parliamentary procedure may be utilized for running the annual meeting.

Section 2. Special Meetings. Special meetings of the Owners may be called at any time by the president or by the Board of Directors, or upon written request of the Owners who are entitled to vote one-fourth (1/4) of all of the votes of the Membership.

Section 3. Notice of Meeting. Written notice of each meeting of the Owners shall be given by, or at the direction of, the secretary or person authorized to call the meeting by one of the following manners: (1) mailing a copy of such notice, postage prepaid; (2) email; (3) fax; or (4) hand-delivery, at least 15 days before such meeting to each Owner entitled to vote thereat, addressed to the Owner's address last appearing on the books of the Association, or supplied by such Owner to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of owners entitled to cast, or from written ballots, one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the owners entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Voting Rights. Owners shall be all owners and shall be entitled to one vote for each Parcel owned. When more than one person holds an interest in any Parcel, all such persons shall be owners. The vote for such Parcel shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Parcel.

Section 6. Adjournment of Meetings. If the number of owners necessary to constitute a quorum shall fail to attend in person or by written ballots at the time and place of meeting the chairman of the meeting, or a majority in interest of the owners present in person or by written ballot, may adjourn the meeting from time to time without notice other than an announcement at the meeting, until the necessary number of owners shall be in attendance. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

Section 7. Action by Written Ballot. Any action that the Association may take at any annual, regular or special meeting of the Owners may be taken without a meeting if the Association delivers a written ballot to every Owner entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter other than election of directors; and (c) specify the time by which a ballot must be delivered to the Association in order to be counted, which time shall not be less than three (3) days after the date that the Association delivers the ballot. Once a written ballot has been received by the Association, the ballot may not be revoked. Approval by written ballot pursuant to this Section is valid only if both the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes which would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

ARTICLE V

Directors

Section 1. Number and Qualification. The business, property and affairs of the Association shall be managed, controlled and conducted by a Board of Directors consisting of at least five (5) and no more than seven (7) members.

- (a) The following are qualifications for a director:
 - a. All directors shall be Owners of the Association.
 - b. All directors shall be in good standing with the Association: If an Owner is delinquent in the payment of annual assessments, periodic or special assessments, fines, penalties, interest, late charges, transfer fees, costs of collection, lien fees, attorneys' fees or other monies owed to the Association or is not in compliance with the terms of the Governing Documents, the Board of Directors may, in its sole discretion, certify that such Owner is not in good standing
 - c. All directors shall be able to qualify for fidelity bond insurance coverage.
 - d. No director shall have been convicted of a felony.
 - e. No director shall have a "conflict of interest" as asserted in the Association's "Conflict of Interest Statement" form, as attached hereto as Appendix A.
- (b) If a potential candidate fails to meet the above-mentioned qualifications, the Owners shall be ineligible for the Board of Directors.
- (c) Should any Board of Director become ineligible during his/her term as a director, the director shall automatically resign upon the qualifying event that the director no longer meets the above-mentioned qualifications.

Section 2. Powers. The Board of Directors shall have power, but not the obligation, to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the owners, and their guests thereon, to establish penalties for the infraction thereof, and have the authority to enforce such rules through the legal remedies the Board of Directors determines necessary and reasonable under the circumstances;
- (b) suspend the voting rights and right to use of the recreational facilities of an owner during any period in which such owner shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing of an infraction of the Governing Documents of the Association (e.g. Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, Guidelines, etc.), for a period not to exceed 60 days after an infraction of the Governing Documents is cured;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these bylaws the Articles of Incorporation, or the Declaration;
- (d) declare a vacancy and accept the automatic resignation of a director's position in the event that such director is absent from three (3) consecutive regular meetings of the Board of Directors or fails to participate in activities of the Board relative to carrying out the prescribed duties and responsibilities of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 3. 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 owners 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 owners who are 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) comply with state and federal statutes and laws.

Section 4. Term of Office. The term of the Directors shall be one (1) year. Their successors shall be elected at the annual meeting of the owners of the Association. A new Board of Directors shall be elected by the members of the Association at each regular annual meeting hereafter and shall hold office for a term of one (1) year and until a successor shall be elected and shall qualify except as hereinafter otherwise provided.

In the event of any increase in the number of directors in advance of the annual meeting, each additional director shall be elected by the then Board of Directors and hold office until his successor is elected and shall qualify.

Section 5. Election. At the Annual Meeting, the owners may cast, in person or by written ballot, in respect to each vacancy of the Board of Directors, as many votes as they are entitled to exercise under the provisions of the recorded Declaration of Covenants, Conditions and Restrictions affecting the Properties. The persons receiving the largest number of votes shall be elected. Cumulative voting shall be prohibited.

Section 6. Vacancies. Vacancies on the Board of Directors, caused by any reason, shall be filled by vote of the majority of the remaining directors even though they may consist of less than a quorum and each person so elected shall be a director until the term expires.

Section 7. Removal of Directors. The Owners, by a majority vote of Owners entitled to vote and voting on the matter at a meeting of the Owners called pursuant to this Section at which a quorum is present, may remove any member of the Board of Directors, with or without cause. 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 percent (25%) of the votes in the Association, the Board of Directors shall call and provide notice of a special meeting of the Association as prescribed within these Bylaws. The special meeting shall be called, noticed and held within thirty days after receipt of the petition. For purposes of a special meeting called pursuant to this Section, a quorum is present if the number of Owners to whom at least twenty percent (20%) of the votes are allocated is present at the meeting or as otherwise permitted by law. 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 the Arizona Revised Statutes.

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. If a civil action is filed regarding the removal of a member of the Board of Directors, the prevailing party in the civil action shall be awarded its reasonable attorney fees and costs.

Section 8. Compensation. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid to a director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. Directors may be reimbursed for out of pocket expenses incurred.

Section 9. Organization of Board of Directors' Meetings. The first meeting of the newly elected Board of Directors shall be held within ten (10) days of election at such time and place as shall be fixed at the 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 shall be present.

Section 10. Regular Board of Directors' 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 such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone, fax or email, at least three (3) days prior to the day named for the meeting.

Section 11. Special Board of Directors' Meeting. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) 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 fifty percent (50%) of the directors.

Section 12. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 13. Notice to Membership. The Association must give notice to its Owners of meetings of the board of directors by newsletter, conspicuous posting, or any other reasonable means at least 48 hours in advance of the meeting. The notice must state the date, time and place of the meeting. *Exception:* Emergency board meetings do not require 48 hours notice if emergency circumstances require action by the board before notice can be given.

Section 14. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business but if at any meeting of the Board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

Section 15. Adjournments. The Board of Directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary in the interests of the Association, provided that no meeting may be adjourned for a period longer than thirty (30) days.

Section 16. 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 will have the same effect as though taken at a meeting of the directors.

Section 17. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate Fidelity Bonds. The premiums on such bonds shall be paid by the Association.

At the beginning of each Board term, each Board Member shall be required to complete the required disclosure forms for the purposed of obtaining a Fidelity Bond and Board of Director's liability insurance. Failure to complete the form(s) shall be cause for immediate removal from the Board of Directors. Disclosure forms are provided by the insurance company.

Section 18. Conflict of Interest. At the beginning of each Board term, each Board Member shall be required to complete the Conflict of Interest Form, which outlines the various activities and relationships that may constitute a conflict of interest and signifies the Board Member understands situations that are a conflict of interest. Failure to complete the forms or engaging in activities that are a conflict of interest shall be cause for immediate removal from the Board of Directors. Reference Appendix A for Conflict of Interest Form.

ARTICLE VI

Officers

Section 1. Designation. The principal officers of the Association shall be a President, a Vice president, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The directors may appoint an Assistant Secretary and an Assistant Treasurer and such other officers as in their judgment may be necessary. The same person may hold any two offices, except that the President may not at the same time hold the office of Vice president or of Secretary.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board.

Section 3. Removal of Officers. Upon an affirmative vote of two-thirds (2/3) of the members of the Board of Directors, any principal 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 called for such purpose.

Section 4. President. The president shall be the chief executive officer of the Association. He shall preside at all meetings of the members and of the Board of Directors. He shall have all of the general powers and duties which are normally vested in the office of the president of an association or corporation, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association. He shall act as a stand-in for the Treasurer and be prepared to assume those roles in the event of a vacancy in the position or the elected Treasurer being unable to perform assigned duties.

The President is responsible for review of the Board of Directors' activities and whether they are in compliance with state regulations and the Association's Governing Documents as may be applicable.

Section 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. The Vice President shall be responsible for oversight of the maintenance activities for the Common Areas.

The Vice President shall be the primary Board officer responsible for the following up on uncollected dues and/or assessments.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the membership books and such other books and papers as the Board of Directors may direct; and he shall in general, perform all the duties incident to the office of Secretary.

The Secretary shall have charge of the membership books and such other books and papers as the Board of Directors may direct. The membership books should include information, but not limited to

- Records of ownership, title transfers, etc.
- Maintenance of roster including official contact & mailing address for each Lot, phone numbers and/or email addresses. The Secretary should perform audits, as necessary, to ensure the information is current and correct.
- In the case of rentals or leases, the Secretary shall maintain current listings of those who are renting property in Casa Buena.
- Filing documents for the State Corporation Commission

Section 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and reimbursements in books belonging to the Association. He shall be responsible for the timely deposit of all monies and other valuable effects 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. In the event the Treasurer is unable to perform the designated responsibilities or needs assistance in doing so, the President shall have the authority to act on the Treasurer's behalf in any or all designated roles.

The Treasurer shall be responsible for reimbursing bills incurred by the Association in accordance

with approval rules established by the Board.

The Treasurer shall be responsible for generating and mailing invoices to Homeowners for the HOA dues and for any special assessments as may be appropriate. In collaboration with the Board, the Treasurer shall be responsible for assessing late fees, as stipulated in the HOA Rules, and collection of monies owed.

Other fiscal duties of the Treasurer include:

- a. Oversight of the development of the annual operating budget
- b. Providing budget analysis reports to the Board, per assigned schedule
- c. Monitoring the progress of the annual audit or financial review
- d. Oversight of the Reserve Program and whether it is funded appropriately
- e. Filing of appropriate tax returns
- f. Monitoring insurance and bonding for the Board and Association
- g. Putting into place safeguards and internal controls to protect the Association's assets and prevent the misuse of Association funds.

Section 8. Compensation. No compensation shall be paid to officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.

ARTICLE VII

Powers, Right and Duties of the Association and Members Thereof

The Association and its owners shall have all the powers, rights, duties and obligations set forth in the Articles of Incorporation for the Association, these Bylaws, rules and regulations pursuant thereto, and recorded restrictions of the property, and as any of the same may be duly adopted or amended. No transfers of ownership in the Association shall be made, except as provided herein, and no such transfer shall be made upon the books of the Association within ten (10) days next preceding the annual meeting of the members.

The Board of Directors shall have the express authorization, right and power to enter into one or more management agreements with third parties in order to facilitate efficient operation of the Common Area and all improvements thereon. It shall be the primary purpose of such management agreements to provide for the administration, management, repair and maintenance of the Common Area and, all improvements thereon; and to assess, collect and apply the management and common expenses; and to enforce the Declaration of Covenants, Conditions and Restrictions. The terms of said management agreement shall be as determined by the Board of Directors to be in the best interests of the Association, and shall be subject to the Articles of Incorporation, these Bylaws and the Declaration of Covenants, Conditions and Restrictions affecting said property. Notwithstanding the above, any and all such management agreements shall be written for a term not to exceed one year, subject to renewal by agreement of the parties for successive one year periods, and shall further provide that said management agreement may be cancelled and terminated by the Board of Directors for any reason whatsoever upon giving thirty (30) days written notice of such cancellation and termination to the managing entity. The Board of Directors shall make all necessary arrangements for continuity of

management and maintenance prior to the expiration of the term of any prior management agreements or the termination of the same. Any and all management agreements shall be entered into with a responsible party or parties having considerable experience with the management of a project of this type.

Each owner shall be bound by the terms and conditions of all management agreements entered into by the Owners Association. A copy of all management agreements shall be available to each owner upon request.

ARTICLE VIII

Miscellaneous

Section 1. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with the reasonable standards of accounting procedure and prudence.

Section 2. Auditing. The board of directors is required to have a neutral third party conduct an annual financial audit, review or compilation of the association. The annual audit, review or compilation shall be completed no later than 180 days (6 months) after the end of *each* fiscal year and shall be made available upon request to the members within 30 days of its completion.

Section 3. Inspection of Books. Financial reports, such as are required to be furnished, and the membership records of the Association shall be available at a reasonable location of the Association, as determined by the Board of Directors, for inspection at reasonable times by any members, or interested parties such as any first mortgagee, as required by law.

Section 4. Execution of Corporation Documents. With the prior authorization of the Board of Directors, all notes, checks and contracts or other obligations shall be executed on behalf of the Association by any two officers of the Association.

Section 5. Assessments. As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made.

Section 6. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors. Any established fiscal year shall be subject to change by the Board of Directors should the Association's practice subsequently necessitate such change.

Section 8. Limitation on Expenditure or Indebtedness. Neither the Board of Directors nor the principal officers of the Association are authorized to incur any Single Indebtedness, over \$10,000, or authorize any single expenditure in excess of \$10,000, on behalf of the Association without first obtaining the consent of the members, evidenced by an affirmative vote of the majority of members present in person or by written ballot at a validly held meeting of the members so long as quorum is achieved. "Single Indebtedness" is defined as a single obligation or item in which there is an obligation to pay money to another party.

Section 9, Financial Accounts of the Association. To establish or terminate any financial account – checking, savings, securities, other investments, etc. – requires Board approval and the signature of the Treasurer and at least one other Board Officer with the financial institution.

The treasurer shall be responsible for signing checks to reimburse appropriate Association expenses. The treasurer shall be responsible for transferring funds, as necessary, between Association accounts.

The Treasurer shall be responsible for providing transaction detail and check issuance reports on a monthly basis to support a post-check issuance process.

Section 10. Conflict between Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE IX

Amendment of the Bylaws

Section 1. Amendment by the Owners. These Bylaws may be amended by the affirmative vote of a majority of the Owners present or represented by written ballot at any regular or special meeting, provided, that a quorum as prescribed in Section 4, Article IV herein, is present at any such meeting. Amendments may be proposed by the Board of Directors or petition signed by at least fifty-one percent (51%) of the Owners. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon. These Bylaws may not be amended insofar as such amendment would be inconsistent with the recorded restrictions of the property.

Section 2. Amendment by the Directors. The Directors of the Association, by the affirmative vote of all of the Directors of the Association may amend or alter the bylaws of the Association at any regular meeting or at any special meeting provided that no such alteration or amendment by the Board of Directors shall increase the powers of the Board of Directors. The statement of any proposed amendment shall accompany notice of any regular or special meeting at which such proposed amendment shall be voted upon. These Bylaws may not be amended insofar as such amendment would be inconsistent with the recorded restrictions of the property.

I, the undersigned, being the President of CASA BUENA HOMEOWNERS ASSOCIATION, do hereby certify that the Bylaw amendments were approved by the Board of Directors under Article IX, Section 2 of the Bylaws in their June 14, 2018 meeting and that the approved changes do not increase the powers of the Board of Directors as determined in the amended version 2.0 approved on March 24, 2011 by the Owners and/or Version 5.0 approved by the Board of Directors on May 22, 2012.



David H. Black, President

I, the undersigned, being the Secretary of CASA BUENA HOMEOWNERS ASSOCIATION, do hereby certify the foregoing to be the Bylaws of said Association, as adopted at the Board of Directors meeting held on June 14, 2018.



Cynthia Miaso, Secretary

APPENDIX A

**CASA BUENA HOMEOWNER'S ASSOCIATION
BOARD of DIRECTORS
CONFLICT of INTEREST STATEMENT**

As a member of the Casa Buena Homeowner's Association Board of Directors, I will not engage in activities that conflict with, or are otherwise incompatible with my responsibilities as a Board member. As a duty of loyalty, I will not compete with or benefit personally from opportunities discovered while using Homeowners Association information, property or by my position on the Board of Directors.

A conflict of interest is defined as a situation where my personal interests or activities could influence my judgment or decisions while carrying out my duties as a Board member. A conflict of interest would include any activity that may appear to influence my judgment or decisions.

A conflict can also occur when Immediate Family Members of Board members seek to conduct business directly with the Homeowners Association. Immediate Family Member means husband, wife, father, mother, brother, sister, grandparents, grandchildren, mother-in-law, father-in-law, daughter-in-law, son-in-law, sister-in-law, brother-in-law, children, step-children, step-parent, domestic partner or any other family member who may residing in a Board Member's household.

I understand that to avoid any appearance of conflict, the Homeowner's Association will not purchase goods or services from any Immediate Family Member or from a business in which I, as a Board member, or anyone of my Immediate Family member has a substantial interest.

I am certifying my understanding of the conflict of interest requirements and that I have no such conflicts. If, during my term as a Board Member, such a conflict were to occur, I will resign my position as a Board Member.

Board Member Signature

Date