

**SECOND AMENDED AND RESTATED**

**BYLAWS OF**

**CIVANO 1: NEIGHBORHOOD 1  
ASSOCIATION, INC.,  
an Arizona non-profit corporation**

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**SECOND AMENDED AND RESTATED BY-LAWS OF  
CIVANO 1: NEIGHBORHOOD 1 ASSOCIATION, INC.**

**ARTICLE I.  
INTRODUCTION**

1.1 Scope. These Bylaws shall govern the operation of Civano 1: Neighborhood 1 Association, Inc. (the "Association"), an Arizona nonprofit corporation created pursuant to the Articles of Incorporation under the provisions of Title 10, Chapter 25 of the Arizona Revised Statutes. The use of the Covered Properties for the benefit of the Members is governed by that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Civano 1: Neighborhood 1, recorded on January 4, 2000, in Docket 11206, Page 2132, *et seq.*, official records of Pima County, Arizona, and as amended from time to time (the Declaration"). All references to the Declaration shall include any amendments.

1.2 Principal Office. The principal office of the Association shall be located in Pima County, Arizona. Meetings of Members and Directors may be held at any place within the State of Arizona, County of Pima which is designated by the Board of Directors.

**ARTICLE II.  
DEFINITIONS**

Capitalized terms used in these Bylaws without definition shall have the meanings specified for such terms in the Declaration. As used in these Bylaws, the term "Eligible Votes" means the total number of votes entitled to be cast by Members as of the record date for determining the Members entitled to vote at a meeting or with respect to any other lawful action including, but not limited to, action by written ballot or written consent.

**ARTICLE III.  
MEMBERSHIP**

3.1 Members. A Member is a person who is entitled to membership as set forth in the Declaration. When more than one (1) Person holds an ownership interest in any Lot or Parcel, each Person is a Member. Membership in the Association is subject to the following restrictions and qualifications:

3.1.1 The transfer of title to any Lot or Parcel automatically transfers the Membership to the new Owner.

3.1.2 The privileges of Members shall be to vote (in accordance with Article V), to hold office, and to enjoy or benefit from the Common Areas, subject to the Governing Documents.

3.1.3 The Board of Directors may, in its absolute discretion, suspend the right of an Owner, his/her family, or his/her lessees or tenants, to use the recreational facilities for any period during which any Assessment against a Lot or Parcel remains unpaid or for any violation of the Declaration or the Rules of the Association. The Board of Directors also has the right to suspend the voting rights of any Owner for any period in which the Assessment against his/her Lot or Parcel remains unpaid or for any violation of the Declaration or the Rules of the Association.

#### **ARTICLE IV.** **MEETINGS OF MEMBERS**

4.1 Annual Meetings. The Annual Meeting of the Members shall be held during the month of March of each year, at a date, time, and place designated by the Board of Directors.

4.2 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board, or upon written demand signed by Members having at least twenty-five percent (25%) of the Eligible Votes. The Members' meeting demand must be delivered to any corporate officer with a statement describing the purpose(s) for which the meeting is to be held. The meeting shall be scheduled by the Board within the ensuing forty-five (45) days. The close of business on the day before delivery of the demand for a special meeting shall be the record date for the purpose of determining whether the demand for the special meeting has been signed by Members having at least twenty-five percent (25%) of the Eligible Votes.

4.3 Notice of Meetings. Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or Person authorized to call the meeting, by mailing or hand delivering a copy of the notice to each Member, at least ten (10) but not more than thirty (30) days before such meeting. The notice of the meeting must be addressed to the Member at the address which is reflected in the Association's books and records, or which is supplied by the Member to the Association for the purpose of such 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. When a meeting is adjourned to another time or place, it is not necessary to send another notice to the Members of the

adjourned meeting if the time and place of the meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Association may transact any business which might have been transacted at the original meeting. However, if the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each Member. By attending a meeting, a Member waives any right he/she may have to object to the meeting on the basis that the meeting was not noticed in accordance with the Bylaws or statutes of the State of Arizona.

4.4 Quorum. Except as otherwise provided in the Articles, the Declaration or the Bylaws, the presence in person or by absentee ballot of Members entitled to cast at least fifteen percent (15%) of the votes in the Association shall constitute a quorum at any meeting of the Members. If a quorum is not present at any meeting, the Members who are entitled to vote at the meeting can vote to adjourn the meeting in accordance with the applicable provisions of Section 4.3.

4.5 Procedures for Meetings. The President shall preside over all meetings of the Members. If the President is not present, then the Vice President shall preside over the meeting. The Secretary (or his or her designee) shall attend each meeting of the Members and take and prepare minutes reflecting the actions taken at the meeting. If the Secretary (or his or her designee) is not present, then the Chair of the meeting shall appoint another person or officer to act as the recording secretary and to perform the functions of the Secretary. The presiding officer may designate the Association's Attorney as the presiding officer at any meeting of Members at his or her discretion.

## **ARTICLE V. VOTING**

5.1 Voting Rights. The number of votes allocated to each Member is set forth in the Declaration. When more than one (1) Person holds an interest in any Lot or Parcel, the vote for that Lot or Parcel shall be exercised as agreed upon by the Owners, but in no event shall more than the votes allocated in the Declaration be cast. If the owners of a Lot or Parcel cannot agree on how to cast any vote, they will lose their right to vote on the matter in question. If any Member casts a vote on a particular matter, it will conclusively be presumed for all purposes that the Person casting the vote was acting with the authority and consent of all of the Owners of the Lot or Parcel, unless an objection by any other Owner is made at the time the vote is cast. In the event that more than the allocated votes are cast for a particular Lot or Parcel, none of the votes shall be counted and all of the votes shall be deemed void.

5.1.1 At any meeting of the Members, the Members shall be entitled to vote on each matter brought before the membership. A majority of the Eligible Votes

cast by the Members at such meeting, provided there is a quorum, shall be the act of the membership, except as otherwise provided in the Declaration, the Articles of Incorporation, these Bylaws or by statute.

5.1.2 Voting for the members of the Board of Directors shall take place by mail-in ballot, by voting at the Annual Meeting, or by absentee ballot, in accordance with these Bylaws, and the results shall be made known upon the tabulation and certification of the election by the Election Committee.

## 5.2 Voting Procedure.

5.2.1 Absentee Ballots. The Board shall provide for votes to be cast by absentee ballot at any meeting of the Association. The following procedure shall apply:

5.2.1.1 The absentee ballot shall set forth each proposed action to be taken at the meeting.

5.2.1.2 The absentee ballot shall provide an opportunity to vote for or against each proposed action (except in the case of election of Directors).

5.2.1.3 The absentee ballot is valid for only one specified election or meeting of the Members and expires automatically after the completion of the election or meeting.

5.2.1.4 The absentee ballot must specify the time and date by which the ballot must be delivered to the Board in order to be counted. Ballots received after this date shall not be counted.

5.2.1.5 Absentee ballots must be sent to Members at least ten (10) days but not more than thirty (30) days prior to the date of the election or vote on an issue, and the date set for the tabulation of the ballots shall be stated on the ballot.

5.2.1.6 Absentee ballots shall be valid for the purpose of establishing a quorum for the vote or election.

## 5.2.2 Mail Vote.

5.2.2.1 The Board may authorize mail-in ballots in place of voting at a meeting (including an Annual Meeting), on any election or vote on any issue it deems appropriate, including the election of Directors.

5.2.2.2 When mail-in ballots are authorized by the Board, said ballots shall be prepared and mailed to the Members at least ten (10) days but not more than thirty (30) days prior to the date of the election or vote on an issue, and must specify the time and date by which the ballot must be delivered to the Association in order to be counted. Ballots received after this date shall not be counted.

5.2.2.3 The determination of eligibility and tabulation of votes shall proceed under the supervision of the Nominating and Election Committee.

5.2.2.4 Any solicitation by the Association for written ballots must specify the number of responses needed to meet the quorum requirement and the percentage of affirmative Members' votes necessary to approve each matter (other than election of Directors).

### 5.2.3 Voting Procedures.

5.2.3.1 Voting shall proceed under supervision of the Nominating and Election Committee.

5.2.3.2 The Nominating and Election Committee shall be in attendance at all times during voting tabulation and during check-in at any meeting of Members, and the Committee designee(s) shall verify whether a Member is eligible to vote; shall issue all of the official ballots and shall witness the placing of the ballots into the ballot boxes or the opening of mail-in ballots.

5.2.3.3 Ballot boxes or mail-in ballots shall remain sealed until the voting is closed, at which time they shall be opened and the votes tabulated. In the event of a tie vote, there shall be another vote solely for the purpose of breaking the tie. Upon completion of the tabulation of ballots, the results shall be certified to the Board of Directors by the Nominating and Election Committee and announced to the Membership either at a meeting or, if mail-in ballots are used in the absence of a meeting, by written notification to the Members.

5.3 Proxies. Votes may not be cast pursuant to a proxy at any Association meeting.

## **ARTICLE VI. BOARD OF DIRECTORS**

6.1 Number. The Board of Directors of the Association shall consist of seven (7) persons, all of whom must be Members in good standing, meaning that their

Assessment accounts shall be current. Co-owners of Lots shall not be entitled to serve on the Board of Directors at the same time. The Directors shall be elected from the various Land Use Classifications so that there is at least one representative from each Land Use Classification on the Board. The Board shall appoint two (2) Directors to serve on the Board of Directors of the Master Association pursuant to the Bylaws of the Master Association. All Directors shall have all of the rights, remedies, privileges and authority accorded to Directors of the Association by the Governing Documents and by applicable law.

6.2 Election of the Board of Directors. Directors shall be elected by a secret written ballot in accordance with Article V of these Bylaws. The candidates receiving the highest number of votes up to the number of Directors to be elected, shall be elected so long as there is at least one (1) representative from each Land Use Classification. Cumulative voting is not permitted. All candidates shall be Members in good standing.

6.3 Term of Office. The Directors elected at the Special Meeting of Members on October 18, 2005, shall hold office until the Annual Meeting in 2007, to assure continuity in Association operations after termination of the Class B membership. In order to assure staggered terms so that the entire Board is not replaced in any one year, at the Annual Meeting in 2007, four (4) Directors shall be elected for a one-year term, and three (3) Directors shall be elected for a two-year term. In succeeding years, all Directors shall be elected for a two-year term. If there is a possibility of no staggered terms in any election year, the Board may adopt reasonable rules and regulations governing the Nominating and Election Committee's procedures for the upcoming election, including a modification of terms for some of the newly-elected Directors so that staggered terms will be restored.

6.4 Place of Meetings. The Board may hold its meetings at any place designated by the Board of Directors.

6.5 Regular Meetings. Regular meetings of the Board will be held at least two (2) times per year without notice to the Directors, other than announcement at the close of the previous month's meeting, and with notice to Association Members in accordance with applicable law.<sup>1</sup> Notice to Members of a meeting of the Board is not required if emergency circumstances require action by the Board before notice can be given. Any such action will be reviewed at the next regular Board meeting and entered

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<sup>1</sup>As of the date of these Bylaws, A.R.S. §33-1804 requires forty-eight (48) hours advance notice to Members of meetings of Board by newsletter, conspicuous posting or any other reasonable means as determined by the Board.

into the minutes of said meeting. The failure of any Member to receive actual notice of a Board meeting does not affect the validity of any action taken at that meeting.

6.6 Special Meetings Notice. Special meetings of the Board shall be held whenever called for in writing, by the President of the Association or by any two (2) members of the Board of Directors other than the President. The notice of any special meeting of the Board of Directors shall state the time, place and purpose of the meeting. Except as otherwise provided in Section 6.7, notice of any special meeting shall be sent to each Director either by mail, facsimile, or any other form of recorded communication, by telephone, or delivered personally not later than three (3) business days prior to the scheduled time of the meeting. Notice of special meetings of the Board also shall be given to the Association Members in accordance with applicable law.<sup>1</sup> A written waiver of notice, whether given before or after the meeting to which it relates, shall be the equivalent of giving notice to the Directors who sign the waiver. Attendance of a Director at a special meeting of the Board shall constitute a waiver of notice of such meeting, except when he/she attends the meeting for the express purpose of objecting to the transaction of any business or because the meeting is not lawfully called or convened.

6.7 Quorum. A majority of the Board, present in person, at any meeting of the Board shall constitute a quorum for the transaction of business at such meeting. Except as otherwise stated in these Bylaws, and except as provided for by law, the vote of a majority of the Directors present at any meeting where a quorum is present shall be the act of the Board. In the absence of a quorum, a majority of the Directors present at the meeting may adjourn the meeting to another time or place.

6.8 Organization. At each meeting of the Board, the President, or if he/she is not present, then the Vice President, or if he/she is not present, then a Director chosen by a majority of the Directors present, shall act as the Chair and preside over such meeting. The Secretary, or if he/she is not present, any person which the Chair appoints, shall act as the Secretary and keep the minutes.

6.9 Action by Directors Without a Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all of the members of the Board of Directors consent, in writing, to such action. Such consents shall be announced at and filed with the minutes of the next Board meeting. Any action by written consent has the same force and effect as any vote of the Directors. Action without a meeting may be taken only when it is not possible to assemble a quorum for a meeting and Board action is required for immediate Association business.

6.10 Resignations. Any Director may resign at any time by giving notice of his/her resignation to the Board of Directors. Any resignation becomes effective at the time specified in the notice, if the time is not stated in the notice, it shall take effect immediately upon its receipt by the President or the Secretary. Unless otherwise specified in the notice, the acceptance of such resignation is not necessary to make it effective. In the event that any Director is absent from three (3) consecutive Board meetings or is delinquent in the payment of his/her Assessments due to the Association for more than ninety (90) days, without being excused by the President for good cause, he/she shall be deemed to have resigned from office and his/her successor shall be appointed to fill the unexpired term.

6.11 Removal of Directors. The Members, by a majority vote of Members entitled to vote and voting on the matter at a meeting of the Members called pursuant to these Bylaws, at which a quorum is present, may remove any Director from the Board with or without cause. For purposes of calling for removal of a Director, the following apply:

6.11.1 On receipt of a petition that calls for removal of a Director and that is signed by the Members entitled to cast at least twenty-five percent (25%) of the votes in the Association or one hundred (100) votes, whichever is less, the Board shall call and provide written notice of a special meeting of the Association as prescribed by these Bylaws.

6.11.2 The special meeting shall be called, noticed and held within thirty (30) days after the Board's receipt of the petition.

6.11.3 For purposes of a special meeting called pursuant to this Section, a quorum is present if the number of Members to whom at least twenty percent (20%) of the votes in the Association is allocated is present at the meeting in person or by absentee ballot.

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

6.11.5 The Board shall retain all documents and other records relating to the proposed removal of any Director for at least one (1) year after the date of the special meeting and shall permit Members to inspect those documents and records pursuant to these Bylaws and applicable law.

6.11.6 A petition that calls for the removal of the same Director shall not be submitted more than once during each term of office for that member.

6.12 Vacancies on the Board.

6.12.1 At any duly convened special meeting of the membership at which any Director is removed, a successor or successors should then and there be elected to fill the vacancy thus created.

6.12.2 Any vacancy on the Board of Directors, other than through removal by the membership, may be filled by the vote of a majority of the remaining Directors even if the remaining Directors do not constitute a quorum. Any Director appointed or elected to fill a vacancy shall hold office for the unexpired term of the vacancy that has been filled. The Board shall fill a vacancy under this Section within 60 days from the Board meeting at which the vacancy becomes official. During any period when the Board does not have seven (7) members due to a vacancy, the quorum shall be a majority of the remaining Directors and the Board may continue to conduct business on behalf of the Association and in accordance with the Governing Documents.

6.12.3 When one (1) or more Directors resign from the Board, effective at some date in the future, a majority of the Directors, including those who have submitted their resignation, may vote to fill the vacancy with the term of the newly-appointed Directors scheduled to begin on the date the resignation becomes effective.

6.12.4 If a vacancy occurs because of the death or resignation of a Director, or for any other reason, leaving the Association with no Directors in office, then any Member may call a special meeting of Members solely for the purpose of electing Directors.

6.12.5 If a Director fails to assume his/her position because of death, disability or declination prior to the beginning of the term to which he/she was elected, then the person who received the next highest number of votes shall succeed to that position. If there were no unelected candidates, the other Directors shall fill the vacancy in accordance with Section 6.12.2.

6.13 Indemnification of Directors and Officers. The Association shall indemnify any Officers and Directors against all expenses incurred by them ( including but not limited to legal fees, judgments and penalties) in any legal action brought against any of them and arising from any action or omission alleged to have been committed while acting within their scope of authority as an Officer or Director of the Association. Whenever any Officer or Director seeks indemnification from the Association, the Board

of Directors shall, at its next regular or at any special meeting held within a reasonable time after the request is made, determine in good faith whether that person acted, failed to act, or acted willfully, with gross negligence or with fraudulent or criminal intent. If the Board of Directors determines in good faith that the person did not act willfully or with gross negligence or with fraudulent or criminal intent, then it shall indemnify that person; provided, however, that the Association has the right to refuse to indemnify any person to whom indemnification would otherwise be provided if that person unreasonably refuses to permit the Association, at its own expense and through counsel of its own choosing, to defend him/her in the action.

**ARTICLE VII.**  
**POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

7.1 Authority of the Board. The Board of Directors has all the powers of an Arizona non-profit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Governing Documents. The Board has the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of the Governing Documents and applicable law, and to do and perform any and all acts which may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association.

7.2 Powers. Without being limited to the generality of Section 7.1, the Board of Directors has the power to:

7.2.1 Hold and administer the assets and direct, control, manage and supervise business and affairs of the Association.

7.2.2 Enforce all applicable provisions of the Governing Documents.

7.2.3 Make and publish architectural and design standards, and rules and regulations within the authority set forth in the Articles of Incorporation, these Bylaws, and the Declaration, and to establish penalties (including but not necessarily limited to fines, probation and/or suspension of membership or voting privileges) for the infraction thereof. There shall be copies of the complete architectural and design standards, and rules and regulations available for purchase or inspection by any Member of the Association upon request.

7.2.4 Employ or terminate the services of any independent contractor, a managing agent or such other personnel and employees as the Board deems necessary, and to prescribe their duties.

7.2.5. As more fully provided in these Bylaws and the Declaration to:

7.2.5.1 Establish and collect the amount of Annual and Special Assessments from each Member.

7.2.5.2 Perfect and foreclose a lien against any property for which Annual or Special Assessments are not paid, or to bring an action at law against the Member personally obligated to pay the same.

7.2.5.3 Pay any taxes and assessments which are, or could become, a lien on the property owned by the Association.

7.2.6 Contract for goods and/or services for the Common Areas, facilities, property for which the Association is responsible, and the legal interests of the Association.

7.2.7 When permitted by law, represent the Association before any and all governmental or quasi-governmental agencies, offices, groups or bodies in conjunction with any matters bearing upon or affecting the quality of life and property values of the Association's Members, including but not necessarily limited to all planning and zoning, fire protection, street lighting, public utility and similar regulatory agencies.

7.2.8 To assign parking places and to grant and convey easements, licenses or rights-of-way in accordance with the terms of the Declaration.

7.3 Duties. It is the duty of the Board of Directors to:

7.3.1 Supervise all officers, agents and employees of this Association, and ensure that their duties are properly performed.

7.3.2 Procure and maintain adequate liability and hazard insurance on property owned by the Association, and, in its discretion, errors and omissions insurance on behalf of its Officers and Directors.

7.3.3 Provide for the operation, care, upkeep and maintenance of all of the Common Areas and to borrow money on behalf of the Association when required for the improvement, operation, upkeep and maintenance of the Common Areas, or for any other purpose.

7.3.4 Distribute a summary of the budget for each fiscal year to the membership not less than thirty (30) days prior to the beginning of the fiscal year.

7.3.5 Approve the annual operating budget for the Association which shall include, but not necessarily be limited to the following: Estimated revenue and expenses, and the annual cash reserves available for replacement and major repairs of the Association's facilities.

7.3.6 Comply with applicable state law<sup>2</sup> with respect to periodic audit, review or compilation of the Association's financial records, at the discretion of the Board. If the services of a certified public accountant are retained, he or she shall be appointed by the Board and paid by the Association.

7.3.7 Perform any other duties or functions which are required in the Governing Documents or applicable law.

#### **ARTICLE VIII. OFFICERS**

8.1 Selection. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, each of whom shall be a Director. At the first Board meeting held after the Annual Meeting each year, the Directors shall elect the officers of the Association, who shall serve during that calendar year and until their successors are chosen. Officers are not prohibited from succeeding themselves in office.

8.2 President. The President shall be the Chair of the Board of Directors and shall preside at and conduct all meetings of the Board and the Members. He/She shall see that orders and resolution of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and agreements; and shall co-sign all promissory notes.

8.3 Vice President. The Vice President has such powers and performs such duties as the President or the Board may from time-to-time prescribe and shall perform such other duties as may be prescribed by these Bylaws. At the request of the President, or in case of his/her absence or inability to act, the Vice President shall perform the duties of the President and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President.

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<sup>2</sup>Currently, A.R.S. §33-1810 requires the Board to provide for an annual financial audit, review or compilation of the Association's financial records.

8.4 Secretary. The Secretary (or his or her designee) shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; provide 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. The Secretary (or his or her designee) shall ensure that all the proceedings of the membership, and the Board of Directors, are recorded in one or more books kept for that purpose. The Secretary (or his or her designee) is the custodian of all contracts, deeds, documents, all other indicia of title to properties owned by the Association and of its corporate records (except accounting records). Upon request, the Secretary (or his or her designee) shall make the records of the Association which are not in the custody of the Treasurer, available for inspection, at all reasonable times to any Director or Member. All records of the Association shall be kept and maintained at the Association's principal office.

8.5 Treasurer. The Treasurer is responsible for supervising all of the funds and securities of the Association, official records, documents, ledgers and accounts involving the financial business of the Association. All financial records and documents shall be kept and maintained at the Association's principal office. The Treasurer shall see to it that the Association's funds are deposited to the account of the Association in such bank(s) which are federally insured and/or shall use said funds to purchase U.S. Treasury Notes, Certificates of Deposits or other obligations of the Federal Government or agencies thereof, as designated by the Board of Directors. The Treasurer (or his or her designee) shall prepare the annual operating and capital budget for the Association, which shall include, but not be limited to, the following: estimated revenue and expenses and the annual cash reserves available for replacement and major repairs of the Association's facilities. This must be completed in a timely fashion, so that the Board can approve the budget no later than the November Board meeting. The Treasurer also shall issue financial statements when required, and perform such other duties as ordinarily pertain to that office. The Board of Directors may appoint an Assistant Treasurer who shall, in the absence or incapacity of the Treasurer, have the powers, duties and the responsibilities of the Treasurer. The Treasurer shall sign all checks and promissory notes of the Association.

8.6 Bonding. At the Board's discretion, all officers, Directors, Committee Chairs and members and employees, who are in any way involved in the handling of Association funds, and the paid managerial personnel of the Association shall be bonded or insured in a sum to be determined by the Board of Directors.

8.7 Compensation. No compensation shall be paid to officers and Directors for their services as officers and Directors. No remuneration shall be paid to any officer or Directors for services performed by him/her for the Association in any other

capacity, unless a resolution authorizing such remuneration is unanimously adopted by the Board of Directors before the services are undertaken.

8.8 Removal. Any officer may be removed from office by the majority vote of the Directors at any regular or special meeting called for that purpose, whenever, in the Board's judgment, the best interests of the Association will be served by the removal. The removal of a person as an officer does not constitute a removal of that person from the Board of Directors, unless he/she is removed from the Board by the Members or Directors, as set forth herein.

8.9 Vacancies. If any office becomes vacant by removal, death, resignation, retirement, disqualification, or any other cause, the majority of the Directors may elect an officer from the Directors to fill that vacancy, and such officer shall hold office until the election of his/her successor.

8.10 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.

#### **ARTICLE IX. COMMITTEES**

At the its first meeting following the annual election of the Board of Directors, the Board shall form such committees as required by the Declaration or these Bylaws, or as it deems necessary to properly and effectively carry on the affairs of the Association. Any committee member may be removed from a committee, with or without cause by a majority vote of the Board, provided a quorum is present. The Nominating and Election Committee shall be formed in accordance with Section 10.2 below.

#### **ARTICLE X. NOMINATING AND ELECTION COMMITTEE**

10.1 Purpose and Term of Committee. The Nominating and Election Committee shall nominate candidates for the Directors' positions to be elected and filled by Members annually. The members of this Committee shall oversee all elections during a one-year term that begins at least 120 days before the Annual Meeting each year.

10.2 Selection of Members to Nominating and Election Committee. The Nominating and Election Committee shall consist only of Members, to be chosen as follows:

10.2.1 The President, with approval of a majority of the Board of Directors shall appoint the members of this Committee. Other than the Secretary, no Director may be a member of this Committee, and the appointment of the Secretary and the Committee Chairperson are at the discretion of the President.

10.2.2 The President shall call the first meeting of the Nominating and Election Committee, by giving written notice to each member of the Committee at least seven (7) days prior to the date of that meeting.

10.3 Selection of Candidates.

10.3.1 The Committee or any Member of the Association may submit the names of prospective candidates for the Board positions to be elected by the Members. The name of each prospective candidate shall be submitted in writing to the Nominating and Election Committee at the general office of the Association, together with a resume on a form provided by the Association.

10.3.2 The Nominating and Election Committee shall prepare and announce a slate of candidates, which shall be mailed to Members with the Notice of Annual Meeting of the Association.

10.3.3 In addition to the Nominating and Election Committee's slate of nominees, any Member in good standing (as defined in Section 6.1) may be added to the slate of candidates by "write in" on the ballot.

10.4 Meetings of Committee. The meetings of the Nominating and Election Committee shall be open to any member of the Board of Directors who wishes to attend and observe the operations of the Committee.

## ARTICLE XI. PROCEDURE FOR AMENDMENT

11.1 Amendment. These Bylaws may be amended at a regular or special meeting of the Board of Directors, by a vote of a majority of the Directors, provided the quorum requirement is met.

11.2 Prior Bylaws Superseded. These Bylaws shall amend, restate, and supersede all prior Bylaws of the Association, and all prior amendments thereto.

**ARTICLE XII.**  
**GENERAL PROVISIONS**


12.1 Conflicting Provisions In the case of any conflict between the Articles and the Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and the Bylaws, the Declaration shall control.

12.2 Designation of Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the last day of December of every year.

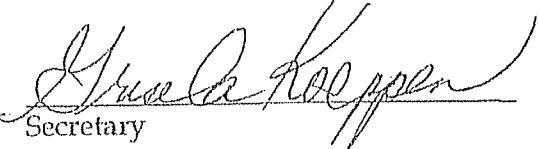
12.3 Books and Records. The Governing Documents together with the books and records of account and membership, and minutes of Association and Board meetings shall be available for inspection by any Member during reasonable business hours at the principal office of the Association. Copies of the Governing Documents may be purchased by Members at a reasonable cost. The Association may charge a reasonable fee for production and photocopying of books and records requested by a Member.

These Second Amended and Restated Bylaws were approved at a meeting of the Board of Directors for Civano 1: Neighborhood 1 Association, Inc. at a meeting on December 11, 2007, by the majority of the Directors.

CIVANO 1: NEIGHBORHOOD 1  
ASSOCIATION, INC.

By:   
Its: President

ATTEST:

  
Secretary