

AMENDED BYLAWS FOR SHANNON CLUB HOMEOWNERS ASSOCIATION

These Amended Bylaws for Shannon Club Homeowners Association were adopted by the Members at a Special Meeting held on the 23rd day of October, 2006 pursuant to Article XII of the original By-laws of Shannon Club Homeowners Association executed on November 18, 1991 as amended on July 13, 1994, March 31, 1999 and January 18, 2006.

ARTICLE I NAME AND LOCATION

1.1 Name of Corporation. The name of the corporation is **SHANNON CLUB HOMEOWNERS ASSOCIATION**, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 217 E. Horizon Circle, Oro Valley, AZ. 85737, until such time as another office shall be designated by the Board of Directors. Meetings of Members and Directors may be held at such place or places within the State of Arizona, County of Pima, as may be designated by the Board of Directors.

ARTICLE II MEMBERSHIP AND VOTING

2.1 Membership. Pursuant to the Declaration, each owner of a Lot within the subdivision shall be a member of the Association ("Member"). The rights and obligations of any Member shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership of an Owner's Lot, and then only to the transferee. Any transfer of ownership of a Lot shall operate to transfer the Membership appurtenant to said Lot to the new Owner thereof. Each purchaser of a Lot shall notify the Association of his/her purchase within 10 days after he/she becomes the owner of the a Lot. No change in the ownership of a Lot shall be effective for voting purposes unless and until the Association is given actual written notice of such change and is provided satisfactory proof thereof.

2.2 Voting. Each Member shall have one vote per Lot, except that if a Lot is owned by more than one person, the vote for each such Lot must be cast as a unit. In the event that multiple Owners of a Lot are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question. If any Member casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he/she was acting with the authority and consent of all other Owners of the same Lot unless objection thereto is made at the time the vote is cast. In the event more than one vote is cast for a particular Lot, none of the votes shall be counted and all of the votes shall be deemed void.

ARTICLE III MEETINGS

3.1 Annual Meeting of the Members. An annual meeting of the Members shall be held at least once every twelve (12) months at such time and place as determined by the Board of Directors.

3.2 Special Meetings of the Members. Special Meetings of the Members may be called by the President or a majority of the Board of Directors or upon written request of 25% of the Members entitled to vote.

3.3. Notice of Member 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 a copy of such notice, postage prepaid, at least ten (10) days, and no more than fifty (50) days, before such meeting to each Member entitled to vote there at, addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in case of a special meeting, the purpose of the meeting.

3.4. Quorum for Member Meetings. The presence at the meeting of Members entitled to cast, or of absentee ballots entitled to cast, fifteen percent (15%) of the votes of the Membership shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration or these Bylaws. Members whose voting rights have been suspended by the Board of Directors pursuant to Article V, Section 5.1(2) are not entitled to cast a vote and the absentee ballots of such Members shall not be counted towards a quorum. If a quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice or other announcement at the meeting, until a quorum as aforesaid shall be present or represented.

ARTICLE IV **BOARD OF DIRECTORS**

4.1 Board of Directors; Selection and Term. The affairs of the Association shall be managed by a Board of at least three (3) but not more than seven (7) directors ("Directors"). The number of Directors may be increased or decreased by a majority vote of the Board of Directors. Each Director shall be a Member of the Association. If a Director shall cease to be a Member during his/her term, he/she will thereupon cease to be a Director and his/her place on the Board shall be deemed vacant. The terms of Directors shall be staggered and the term of each Director shall be one (1) Director for one (1) year, two (2) Directors for two (2) years and four (4) Directors for three (3) years. Any Member appointed to fill a vacant Board position will need to have his/her name placed on the ballot for election of Directors for the next annual meeting of the Members.

4.2 Qualifications of Directors; Compensation. A Member who has been found by the Board to be in violation of the Declaration, whether by non-payment of Assessments or otherwise, including by reason of violating applicable covenants, rules and regulations concerning such Member's property, may not be nominated for election to the position of Director until such violation has been cured. Should such a person be a Director at the time such violation has been found to exist, then such person shall be deemed removed as a Director ten (10) days after the date the Board determines that such uncured violation exists, unless the Board also determines that, in the case of non-monetary default, said Member is reasonably and diligently attempting to cure the default. No Director shall receive compensation for any service he may render to the Association that is within his duties as a Director. However, a Director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

4.3 Resignation and Removal of Directors; Vacancies. A Director may resign at any time upon delivery of written notice to the President or Secretary of the Corporation. Such resignation shall be effective upon receipt or at a later time specified therein, and unless otherwise provided therein. Acceptance of such resignation shall not be necessary to make it effective. Directors may be removed

by the Members in conformance with the provisions of A.R.S. §33-1813. In the event of the resignation, death, or removal of a Director, his successor shall be appointed by the remaining Directors and shall serve until the next annual meeting.

4.4 Resignation and Removal of Officers. Any officer may be removed from office with or without cause by a majority of the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.5 Regular Meetings of Directors. Regular meetings of the Board of Directors shall be held at least four (4) times in a calendar year, at such place and hour as may be fixed from time to time by the Board. Any action that could be taken at a Board of Directors' meeting may be taken by unanimous written consent of all Directors.

4.6 Special Meetings of Directors. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by a majority of Directors.

4.7 Notice of Directors' Meetings. Notice of meetings of the Board of Directors shall be given at least forty eight (48) hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board of Directors unless emergency circumstances require action by the Board before notice can be given.

4.8 Quorum for Directors' Meeting. A majority of the actual number of Directors shall constitute a quorum for the transaction of business. Every act done or decision made by a majority of Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

ARTICLE V **POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

5.1 Powers. In addition to all other powers conferred by the Declaration and Arizona law, the Board of Directors shall have the power to:

(1) Adopt and publish rules and regulations governing the use of the Common Areas and facilities and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof.

(2) Suspend the voting right of a Member during any period in which such Member shall be in default of payment of any assessment levied by the Association., or in breach of the covenants or rules and regulations applicable to his Lot.

- (3) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration.
- (4) Declare the office of the Board of Directors to be vacant in the event such officer may be absent from three (3) consecutive regular meetings of the Board of Directors and appoint a Director to fill such office.
- (5) Employ a manager, an independent contractor, or other such employees as the Board deems necessary.
- (6) Grant easements over, across or under the Common Areas for ingress, egress and such purposes as may be deemed advisable by the Board.
- (7) Place a lien against any property for which assessments are not paid after due date or to bring action at law against the Owner personally obligated to pay the same.
- (8) Procure and maintain adequate liability and hazard insurance on property owned by the Association in accordance with the Declaration.
- (9) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting.
- (10) Fix the amount of the annual assessment at least 30 days in advance of each annual assessment period and send written notice of each assessment to every Owner subject thereto at least 30 days in advance of each assessment period.

5.2. Officers. The Board of Directors shall have the following officers:

President

The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out; may sign all checks, liens, contracts and other written instruments.

Vice-President

The Vice-President shall act in the place and instead of the President in the absence, inability or refusal to act, and may exercise and discharge such other duties as may be required of him/her by the Board.

Secretary

The Secretary may record all votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and may perform such other duties as required by the Board.

Treasurer

The Treasurer may receive and deposit in appropriate bank accounts all monies of the Association, may sign checks, and may prepare an annual budget and statement of income and expenditures to be presented to the Membership at its regular annual meeting.

The offices of Secretary and Treasurer may be held by the same person.

Election of Officers shall take place on the first meeting of the Board of Directors following each annual meeting of the Members. The Officers of the Association shall be elected annually by the Board of Directors.

ARTICLE VI
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, by written request, with 10 days notice to the Association, be subject to inspection by any Member, subject to provisions at law for the protection of privileged and other materials. The Declaration, Articles of Incorporation and Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies can be purchased at a reasonable cost.

ARTICLE VII
CONFLICT OF INTEREST

A member of the Board of Directors having a conflict of interest in the subject matter of any business before the Board shall declare the conflict in an open meeting of the Board before the Board discusses or takes action on that issue and that Member may then vote on that issue.

ARTICLE VIII
AMENDMENTS

These Bylaws may be amended at any regular or special meeting of the members by the affirmative vote of a majority of a quorum of Members present in person or by written ballot, or by a majority of the Board of Directors.

ARTICLE IX
CONFLICTS

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.