

Shangri-La Estates

Homeowners Association

Bylaws



Shangri-La Estates
Homeowners Association
P.O. Box 5720
Mesa, AZ 85211

PREFERRED COMMUNITIES
"LOVING WHERE YOU LIVE."



**AMENDED AND RESTATED
BY-LAWS
OF
SHANGRI-LA ESTATES HOMEOWNERS ASSOCIATION**

The following Amended and Restated By-Laws ("Bylaws") were adopted by the Members of Shangri-La Estates Homeowners Association to be effective on November 3rd, 2005.

ARTICLE I.

OFFICES

1.1 **Principal Offices.** The principal offices of the Shangri-La Estates Homeowners Association shall be in the City of Peoria, County of Maricopa, State of Arizona.

1.2 **Other Offices.** The corporation may establish such office or offices at such other places within the State of Arizona as the Board of Directors may from time to time designate.

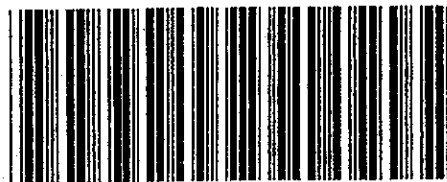
ARTICLE II.

DEFINITIONS

2.1 "Association" shall mean and refer to the Shangri-La Estates Homeowners Association, its successors and assigns.

2.2 "Board" shall mean and refer to the Board of Directors of the Shangri-La Estates Homeowners Association as provided in Article IV herein.

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



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
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2.4 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, Restrictions and Reservations applicable to the Properties recorded in the Office of the County Recorder of Maricopa County, Arizona, at instrument no. 87-565441.

2.5 "Lot" shall mean and refer to any one of the separately identified plots of land shown upon the recorded subdivision plat of the Properties, with the exception of Tract A, the Common Area.

2.6 "Member(s)" shall mean and refer to those persons entitled to membership in the Association, as provided in the Declaration.

2.7 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of beneficial or equitable title (and legal title if the same has merged with beneficial or equitable title) to the fee simple interest to any Lot, including contract buyers to which equitable title has been conveyed, but excluding those having such interest merely as security for the performance of an obligation.

2.8 "Properties" shall mean and refer to that certain real property described in the Declaration.

Unless specifically indicated to the contrary, all other capitalized terms shall have the same meanings as set forth in the Declaration.

ARTICLE III.

MEETING OF MEMBERS

3.1 Annual Meetings. The annual meeting of the Members shall be held on the first Thursday of February of each year. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

3.2 Special Meetings. Special meetings of the Members may be called at any time by (1) the President; (2) a majority of the Board; and (3) upon written request of not less than ten (10%) percent of the Members, to be held at a time scheduled by the Board, but not more than thirty (30) days following receipt of the request.

3.3 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 a copy of such notice, postage prepaid, not fewer than fifteen (15) nor more than fifty (50) days before the date of such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such 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. Business transacted at any special meeting of the Members shall be limited to the items stated in the notice unless provided otherwise by a unanimous vote of the Members present at the meeting.

3.4 Quorum. The presence, in person or by proxy, of Members entitled to cast one-fourth (1/4) of the votes of the membership shall constitute a quorum at any meeting, except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other

than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. The foregoing to the contrary notwithstanding, at any meeting called to increase the annual Common Expense Assessment above the maximum assessment for the year or to levy a Special Assessment, the presence at the first such meeting called of Members entitled to cast sixty percent (60%) of the votes of the membership shall constitute a quorum, and if the required quorum is not present, another meeting may be called (subject to the same notice requirements) at which the required quorum shall be thirty percent (30%).

3.5 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

3.6 Waiver of Notice. Whenever any notice is required to be given to any Member under the provisions of the Articles, the Bylaws, the Declaration, applicable Arizona law, or otherwise, a waiver thereof in writing signed by the person or persons entitled to such notices, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not properly called or convened.

ARTICLE IV.

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE.

4.1 Number and Selection. The affairs of this Association shall be managed by a Board of five (5) directors, who need not be Owner, however in the event the director is an Owner, the Owner must be in good standing with the Association.

4.2 Term of Office. At the annual meeting of the Members, the Members shall elect all five (5) Directors to serve until the next annual meeting of the Members. Thereafter, Directors shall be elected by the Members of the Association at each ensuing annual meeting, to serve until the next annual meeting.

4.3 Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

4.4 Compensation. No director shall receive compensation for any service he may render to the Association, except they shall be exempt from monthly Association dues. Any director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.5 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 consent of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V.

NOMINATION AND ELECTION OF BOARD

5.1 Nomination. Nominations shall be made from the floor at the annual meeting. The Board shall take as many nominations for election to the new Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among the Members, limited to one nomination per Lot.

5.2 Election. Election to the Board of Directors shall be by secret ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is permitted, in accordance with the laws of the State of Arizona.

ARTICLE VI.

MEETINGS OF DIRECTORS

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any of the directors, after not less than three (3) days notice to each director.

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

ARTICLE VII.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of the members and their guests thereon and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(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 By-Laws, the Articles of Incorporation, or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties. Any management agreement entered into may not have a term in excess of one (1) year and may be renewable only by mutual agreement for successive one (1) year terms. Any such agreement shall be terminable by the Board of Directors for cause upon thirty (30) days written notice.

7.2 Duties. It shall be the duty of the Board to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members 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:

(i) adopt, at least annually, a budget for the Association and amend the budget for the Association as it deems necessary;

(ii) fix the amount of the annual Common Expense Assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(iii) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(iv) 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 the property owned by the Association and upon all residences situated on the Lots, and such other insurance as is required by the Declaration or deemed appropriate by the Directors;

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

(g) Cause the Common Area and the exteriors of the residences (if an Owner fails to maintain the exterior of his residence on his Lot) to be maintained. If an Owner fails to maintain the exterior of his residence on his Lot, any maintenance costs incurred by the Association shall be charged to the Owners.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

8.1 Enumeration of Offices. The officers of this Association shall be a president, who shall at all times be a member of the Board, a vice president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

8.2 Election of Officers. The election of officers shall take place at the annual meeting of the Members.

8.3 Term. The officers of the Association shall be elected annually by the Members and each shall hold office for one (1) year unless they shall sooner resign, be removed, or otherwise become disqualified to serve. No officer shall serve more than three (3) consecutive terms in the same capacity.

8.4 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.

8.5 Resignation and Removal. Any officers may be removed from office with or without cause by the Board. Any officer may resign at any time by 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.

8.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

8.7 Multiple Offices. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to these Bylaws. The President and Treasurer may not reside or be the Owner of the same Lot.

8.8 Duties. The duties of the officers are as follows :

President

(a) The president shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign all checks and promissory notes; ~~shall be responsible for all equipment owned by the Board.~~

Vice President

(b) The vice president shall act in the place and stead of the president in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall, perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Board for adoption and, thereafter, to the membership at its regular annual meetings, and shall deliver a copy of each to the Members.

ARTICLE IX.

COMMITTEES

The Board, by resolution adopted by a majority of the Board, may designate from among its Members, one or more committees each of which, to the extent provided in such resolution and permitted by law, shall have and may exercise all the authority of the Board. The Board, with or without cause, may dissolve any such committee or remove any member thereof at any time. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Board, or any member thereof, of any responsibility imposed by law.

ARTICLE X.

BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI.

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual Common Expense Assessments and Special Assessments which are secured by an "Assessment Lien" upon the Lot against which the Assessment is made. Any Assessments which are not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the Assessment Lien against the Lot, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such Assessment. No Owner may waive or otherwise escape liability for the Assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII.

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association, the year it was organized, and the word "Arizona."

ARTICLE XIII.

AMENDMENTS

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

13.2 In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control, and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV.

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December each year.

IN WITNESS WHEREOF, we being all the directors of the Board, have hereunto
set our hands this 18th day of March, 2007.

Terry Hewitt

Terry Hewitt, President

Domingo Santos

Domingo Santos, Secretary

Todd Hutchings

Todd Hutchings, Treasurer

Marva Willis-Perry

Marva Willis-Perry, Vice President

Greg Simon

Greg Simon, Vice President

STATE OF ARIZONA)

) ss.

County of Maricopa)

This instrument was acknowledged before me this 18th day of March,
2007, by Mary Simon

Mary Simon

Notary Public

My Commission Expires: 7/31/08

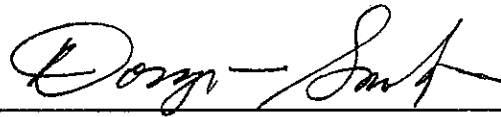


CERTIFICATION

I, the undersigned, do hereby certify:

This the forgoing Amended and Restated By-Laws constitute the By-Laws of said Association, as duly adopted at the meeting of the Members thereof, held on the 3rd day of November, 2005.

IN WITNESS WHEREOF, I have subscribed my name and affixed the seal of the said Association this 18th day of March, 2007

A handwritten signature in cursive script, appearing to read "Domingo Santos", written over a horizontal line.

Domingo Santos, Secretary