

## ARTICLE 3

### Meetings of Members and Voting Rights

3.1. Annual Meetings. Regular meetings of Members of the Association shall be held annually on the Property or such other suitable place convenient to the Members as may be designated by the Board at the time and on the date set by the Board for such annual meeting, but in no event shall the first meeting be held later than six (6) months after the close of escrow for the sale of the first Lot.

3.2. Special Meetings. A special meeting of the Members of the Association may be called by the President of the Association, by the Board upon the vote for such a meeting by a majority of the Board or upon receipt of a written request therefor signed by one Member.

3.3. Notice of Meetings. Written notice of regular and special meetings shall be given to Members by the Board by hand-delivering or mailing a notice in the manner provided in paragraph 12.4 hereof to each Member, which notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the nature of the items on the agenda to be undertaken including the general

nature of any proposed amendment to the Declaration or these Bylaws and any proposal to remove a Director or Officer. Notice shall be delivered or mailed to each Member at least ten (10) and not more than sixty (60) days prior to the meeting.

3.4. Quorum. The presence in person or by proxy of at least a majority of the allocated votes in the Association shall constitute a quorum except as specifically provided to the contrary in the Declaration, the Articles or these Bylaws. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum.

3.5. Action Without a Meeting. Any action that, under the provisions of Arizona corporate law, may be taken at a meeting of the Members may be taken without a meeting if authorized by a writing signed by all of the persons who would be entitled to vote upon such an action at a meeting and filed with the Secretary of the Association.

3.6. Joint Ownership of Lots.

(a) Ownership in Undivided Interests. When more than one person owns an interest in any Lot as an undivided interest, all

such persons shall be Members of the Association. The votes allocated to such Lot shall be exercised as a majority of the Owners of the Lot determine among themselves, but in no event shall more than the votes allocated to the Lot be cast for or with respect to any Lot concerning any one vote of the Association. The allocated votes for each Lot owned as undivided interests must be cast as a unit, and fractional division of the allocated votes shall not be allowed in such instance. In the event that the joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast the allocated votes on behalf of a Lot, it will thereafter be conclusively presumed for all purposes that he/she or they was/were acting with the authority and consent of all Owners of the Lot unless any other Owners of the Lot promptly protest such action to the person presiding over the meeting. In the event that more than the allocated votes are cast or such votes are fractionally divided as a result of being cast by more than one Owner of a particular Lot during a particular vote of the Association, none of such votes shall be counted, and such votes shall be deemed void.

(b) Ownership in Divided Interests. When more than one person owns an interest in any portion of a Lot as a divided interest, all such persons shall be Members of the Association. The votes allocated to such Lot shall be exercised separately by the Owners of each separate divided interest of the Lot in such fractional divisions as determined by the original Owner of the Lot and by subsequent grantors of further divisions of the Lot, but in no event shall more than the votes allocated to the Lot be cast for or with respect to any Lot concerning any one vote of the Association. The allocated votes for each separate portion of a Lot owned as a divided interest must be cast as a unit. In the event that the joint Owners of a divided interest are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast the allocated votes on behalf of a divided interest of a Lot, it will thereafter be conclusively presumed for all purposes that he/she or they was/were acting with the authority and consent of all Owners of the Lot unless any other Owners of the divided interest of the Lot promptly protest such action to the person presiding over the meeting. In the event that more than the allocated votes are

cast or such votes are fractionally divided as a result of being cast by more than one Owner of a particular divided interest of a Lot during a particular vote of the Association, none of such votes shall be counted, and such votes shall be deemed void.

3.7. Proxies. At all meetings of Members, each Member may vote or register protest to the casting of allocated votes of the Member's Lot by another Owner of the Lot in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every revocable proxy shall be revoked upon actual notice of revocation to the person presiding over a meeting of the Association or upon presentation of a later dated proxy by the same Member. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date unless it specifies a shorter term or unless it states that it is coupled with an interest and is irrevocable. All proxies, including irrevocable proxies coupled with an interest, shall automatically cease upon conveyance by the Member of his/her Lot or upon receipt of actual notice by the Secretary of the Board of the death or judicially declared incompetence of such Member.

3.8. Adjournment. In the absence of a quorum at a meeting of the Members, a majority of those present in person or by proxy may adjourn the meeting to another time but may not transact any other business. Any adjournment for lack of a quorum shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date. The quorum for such a reconvened meeting shall be thirty-three and one-third percent (33-1/3%) of the allocated votes in the Association.

3.9. Classes of Membership. The Association shall have two (2) classes of voting membership established according to the Declaration.

3.10. Commencement of Voting Rights. Voting rights attributable to each Lot shall vest in accordance with the terms and provisions of the Declaration.

3.11. Record Date. For any meeting of the Members, the Board may fix in advance a date, not more than sixty (60) days nor less than ten (10) days before the date of such meeting nor more than sixty (60) days prior to any other action, as a record date for the determination of the Members of record entitled to notice of, and to vote at, such meeting. The Members entitled to vote at any meeting

of the Members will be determined as of the applicable record date if one has been fixed as aforesaid and otherwise as of the time the meeting is convened.

#### ARTICLE 4

##### Board of Directors; Selection; Term of Office

4.1. Number and Term of Directors. The Board shall initially consist of three (3) Directors. While Class B Membership exists, the Directors may be Owners of Lots or portions of Lots, Developer or agents of Developer or Declarant, and all Directors shall be appointed by Developer for one-year terms or for such other term as Developer designates. Thereafter, the Directors shall be elected by the entire Association Membership, and all of the Directors must be Owners of Lots or portions of Lots. The Directors, as their number may be increased by amendment of these Bylaws, shall serve staggered three-year terms. All elections and appointments of Directors under these Bylaws shall be for such terms as will preserve the staggering of terms.

4.2. Election of Board of Directors After Termination of Class B Membership.