

**SECOND AMENDMENT TO
BY-LAWS OF SAN IGNACIO HEIGHTS, INC.**

**ARTICLE I
NAME AND LOCATION**

Section 1.01: NAME and LOCATION. The name of the corporation is **San Ignacio Heights, Inc.** hereafter referred to as the "Association." There is no physical office for the Association, however, it is identified by Post Office Box 526, Green Valley, AZ 85622. The Directors normally meet in the Association's Ramada on Mariquita Street on the third Thursday of each month, excluding July, at 3:00 pm. Other meeting places shall be held in Pima County AZ as designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

Section 2.01: "Association" shall refer to San Ignacio Heights, Inc.

Section 2.02: "Properties" shall refer to the 160 Lots and residences that comprise the Association.

Section 2.03: "Ramada" is the brick building which is owned by the Association on the west side of Mariquita St. south of Desert Jewel Loop.

Section 2.04: "Common Ground" shall mean all real property owned by the Association.

Section 2.05: "Lot" shall mean and refer to each numbered plot of land shown on the recorded subdivision map of the Properties, with the exception of the Common Ground.

Section 2.06: "Owner" shall mean and refer to the recorded owner, whether one or more persons.

Section 2.07: "Member" shall refer to those persons entitled to membership and voting rights by virtue of owning property.

Section 2.08: "Declaration" shall mean and refer to the Declaration of Conditions, Covenants and Restrictions for San Ignacio Heights, Inc. recorded in the office of the Recorder of Pima County, Arizona.

**ARTICLE III
MEETINGS OF MEMBERS**

Section 3.01: Annual Meetings. The annual meeting of the members shall be held on the third Thursday in each February. If the annual meeting cannot be held on this date, the Board of Directors shall give written notice of the cancellation and establish a new date for the annual meeting.

Section 3.02: Notice of Meetings. Written notice of each meeting of the members shall be given by the Secretary or another person authorized to call the meeting. Members shall receive notice of the meeting by mail at least 10 days and not more than 50 days before the meeting. Members entitled to vote shall receive the meeting notice at the most current address of the member. The notice shall specify the place, day and hour of the meeting. In case of a special meeting, the purpose of the meeting shall be specified.

Section 3.03: Special Meetings. Special meetings of the members may be called at any time by the President, the Board of Directors or upon written request of one-fourth (1/4) of the members [40] who are entitled to vote.

Section 3.04: Quorum. The presence of one tenth (1/10) of the members [16] who are entitled to vote shall constitute a quorum except as stated in the Articles of Incorporation, the Declaration or these By-Laws. If such a quorum is not present, the members have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 3.05: Voting. All members shall be entitled to vote on matters of concern to the Association. Each member shall be entitled to exercise one (1) vote for each Lot, independent of type of ownership, i.e., husband and wife, joint tenants, etc.

ARTICLE IV BOARD OF DIRECTORS

Section 4.01: Number. The affairs of the Association shall be managed by a Board of five (5) Directors who are members of the Association.

Section 4.02: Term of Office. Directors shall serve a three (3) year term in office. Directors may be re-elected for a second three year term.

Section 4.03: Removal. Any Director may be removed from the Board, with cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a Director, the successor shall be appointed by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

Section 4.04: Compensation. No Director shall receive compensation for any service they contribute to the Association. However, any Director may be reimbursed for their actual expenses incurred in the performance of duties.

Section 4.05: 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 of 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 DIRECTORS

Section 5.01: Nominations. Nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors and two or more members selected from the members of the Association. The Nominating Committee shall make as many nominations as it shall determine, but not less than the number of vacancies to be filled.

Section 5.02: Election. Election to the Board of Directors shall be by written ballot, either mailed to the Association on a date selected prior to the Annual Meeting or brought to the Annual Meeting. One ballot per lot shall be permitted. The person(s) receiving the largest number of votes shall be elected.

ARTICLE VI MEETINGS OF DIRECTORS

Section 6.01: Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, except for July, in the Ramada on the third (3rd) Thursday at 3:00 pm.

Section 6.02: Special Meetings. Special meetings of the Board of Directors shall be held when called by the

President of the Association or by any two (2) Directors, not less than three (3) days notice of the meeting.

Section 6.03: Quorum. Three (3) members shall constitute a quorum for the official conduct of business.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.01: Powers. The Board of Directors shall have the power to:

- a. Adopt and publish rules and regulations governing use of the Common grounds and the personal conduct of the members and their guest on the Common Grounds.
- b. Suspend voting rights to members who are default in payment of dues or any assessments.
- c. Declare the office of a member of the Board of Directors to be vacant if a Director is absent from three (3) consecutive regular board meetings.
- d. Employ a manager, an independent contractor or other employees as they determine necessary. An attorney or other representative may not be hired to bring action on the behalf of the Association against any person or organization in any court or administrative hearing or before a government body, without fifty percent (50%) approval of disinterested members not involved in the proceedings personally.

Section 7.02: Duties. It shall be the duty of the Board of Directors to:

- a. Supervise all officers, agents and employees of this Association and to see that their duties are properly performed.
- b. Fix the amount of the annual dues and/or assessments against each Lot and send written notice of dues and/or assessments to every owner.
- c. Procure and maintain adequate liability and hazard insurance on the property owned by the Association. Officers and employees having fiscal responsibility shall be bonded.
- d. Be responsible for Common Ground and roads to be maintained.
- e. Develop guidelines and regulations for establishing fines or assessing penalties for violations of the Declaration. The Board shall also establish procedures for a hearing by any person aggrieved by a decision of the Board or a Committee acting on behalf of the Board. Such guidelines and regulations shall be written and sent to owners by regular mail.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 8.01: Enumeration of Officers. The officers of this Association shall be a President, Vice-president, Secretary and Treasurer.

Section 8.02: Election of Officers. The election of officers shall take place on the first meeting of the Board of Directors following each annual meeting of the members.

Section 8.03: Term of Office. An officer may retain the office as elected by the Board of Directors following each annual meeting.

Section 8.04: Special Appointments. The Board may appoint persons to an office for a specified time.

Section 8.05: Resignation and Removal. Any officer may be removed from office by the Board with cause. 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 the notice or at any time specified in the notice.

Section 8.06: Duties. The duties of the officers are as follows:

- a. **PRESIDENT.** The President shall preside at all meetings of the Board of Directors ; shall see that orders and resolutions of the Board are carried on.
- b. **VICE-PRESIDENT.** The Vice President shall act in place of the President in the event of an absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.
- c. **SECRETARY.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; post notice of meetings of the Board and of members at the Ramada and shall perform other duties as required by the Board.
- d. **TREASURER.** The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors with the exception of those disbursements made in the ordinary course of business; shall sign all checks; keep proper account books; provide for an annual audit at the end of each calendar year; keep appropriate current records showing members of the Association along with their addresses; prepare an annual budget and statement of income and expenditures to be presented to the members at or prior to the annual meeting.

ARTICLE IX COMMITTEES

Section 9.01: Standing Committees. The standing committees of the Association shall be:

- a. Architectural Committee
- b. Audit Committee
- c. Common Ground Maintenance/Residential Landscape Committee
- d. Nominating Committee
- e. Roads Committee

Each Committee shall consist of a Chair and three or more members, unless fewer are specified, and shall include a member of the Board of Directors. The Director on each Committee shall serve in an oversight capacity. Any recommendations from the Committees shall be approved by the Board of Directors before any action can be taken.

Section 9.02: Architectural Committee. This Committee shall review, approve or disapprove, modifications such as additions, remodeling, paint color, roof color, all things that affect the structure of the property.

Section 9.03: Audit Committee. This Committee shall make an annual audit of the Association's financial reports during the calendar year and approve the proposed budget to be presented to the membership prior to the annual meeting.

Section 9.04: Common Ground Maintenance/Residential Landscape Committee. This Committee

shall work with the professional maintenance personnel to maintain the common ground with its original desert look, to prevent erosion, keep growth under control and remove and replace plantings when warranted. The Committee will also cooperate with homeowners to insure the maintenance of their property and keep growth under control.

Section 9.05: Nominating Committee. See Article V.

Section 9.06: Roads Committee. This Committee will do periodic review of the roads; propose a current schedule for maintenance and repairs and propose a long term schedule for maintenance and repairs.

Section 9.07: Minutes and Reports. All Committees shall maintain a record of meetings and pertinent action to be taken. Committee Chairs or Committee members will be allocated time on the agenda at the monthly meetings of the Board of Directors. Annual reports by Chairs shall be made at the annual membership meeting.

Section 9.08: Responsibility to the Board of Directors. All requests from the Committees shall be either approved or disapproved by the Board of Directors.

Section 9.09: Additional Committees. The Board of Directors may, at their discretion, assign additional committees as it deems necessary.

ARTICLE X INDEMNIFICATION

Section 10.01: Indemnification. Every Officer or Director of the Association shall be indemnified by the Association against all expenses, liabilities and penalties, including counsel fees, reasonably incurred by or imposed upon them in connection with any proceedings to which they may be made a party or in which they may become involved by reason of any acts or omissions alleged to have been committed by them while acting within the scope of their term of office as a Director or officer of the Association, including any settlement, provided that the Board of Directors determines that the person acted in good faith and did not act, fail to act or refuse to act willfully with gross negligence, or with fraudulent or criminal intent in regard to the matter involved in the action or proceeding.

Section 10.02: Insurance. The Association shall purchase and maintain insurance on behalf of any person who is a Director or officer of the Association or was serving at the request of the Association as a Director or officer against any liability asserted against them and incurred by them in any capacity or arising out of their status.

ARTICLE XI BOOKS AND RECORDS

Section 11.01: Books and Records. The books, records and papers of the Association shall be available for review by any Association member.

Section 11.02: Storage. There are records in storage at the Amado Storage Corral, Unit 60, as well as records which are stored in the locked closet and in the locked file cabinet in the Ramada. Members may contact a member of the Board of Directors to gain access to the records.

ARTICLE XII DUES AND ASSESSMENTS

Section 12.01: Dues and Assessments. Each member is obligated to pay dues and/or assessments to the Association. Any dues and/or assessments which are not paid within sixty (60) days of the due date shall be considered delinquent.

Section 12.02: Consequences for non-payment. A lien will be placed on the Lot of the Owner who fails to pay the dues and/or assessments and shall bear interest from the date of delinquency at the rate of one and one-half percent (1½%) interest per month until paid, or as provided in the Declaration. The Association may bring an action at law against the Owner personally obligated to pay the dues and/or assessments or foreclose the lien against the property. Interest, costs and reasonable attorney's fees of any such action for foreclosure shall be added to the amount of the dues and/or assessment. No owner may waive or escape liability for the dues and/or assessments.

**ARTICLE XIII
MEETING PROCEDURES**

Section 13.01: Rules of Order. The latest edition of Robert's Rules of Order shall be the authority of San Ignacio Heights, Inc. on parliamentary law and its usage.

**ARTICLE XIV
AMENDMENTS**

Section 14.01: By-Laws. These By-Laws may be amended by sending through regular mail, the amended document to all members of the Association accompanied by a ballot that shall be signed by the homeowner and returned to the Association, within a reasonable length of time. The amended By-Laws will be in effect if the majority of the returned, signed ballots are in favor of the amendment, assuming more than 16 Lots (10% of the homeowners) respond in favor of the amendment.

Section 14.02: Conflict Among Documents. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

These amendments are approved this 20th day of December 2007.

Consent:
San Ignacio Heights, Inc.

By: Ralph Hartsock
President

By: Marilyn McClellan
Secretary