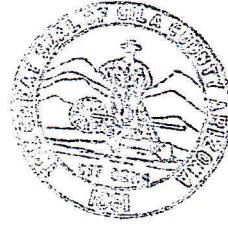




When recorded, return to:

Beaver Valley Improvement Association
P.O. Box 594
Payson, AZ 85547



**AMENDED AND RESTATED BYLAWS
OF
BEAVER VALLEY IMPROVEMENT ASSOCIATION**

This Amended and Restated Bylaws of Beaver Valley Improvement Association amend, restate and supersede the Bylaws of Beaver Valley Improvement Association recorded on May 21, 1986 at Docket/Book 672, Page 439, official records of the Gila County, Arizona Recorder and the Bylaws of Beaver Valley Improvement Association recorded on April 24, 1990 at Docket/Book 797, Page 361, official records of the Gila County, Arizona Recorder.

AMENDED AND RESTATED BYLAWS
OF
BEAVER VALLEY IMPROVEMENT ASSOCIATION

ARTICLE I
DEFINITIONS

Capitalized terms not defined shall have the meanings as set forth in the Declaration.

Section 1. "Association" shall mean and refer to BEAVER VALLEY IMPROVEMENT ASSOCIATION, an Arizona non-profit corporation, its successors and assigns.

Section 2. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 3. "Declaration" shall individually and collectively mean the Declaration of Establishment of Conditions, Reservations and Restrictions for Beaver Valley Estates, recorded on June 7, 1966 at Docket 191, Page 307, official records of the Gila County, Arizona Recorder, the Declaration of Establishment of Conditions, Reservations and Restrictions for Beaver Valley Estates, recorded on March 18, 1968 at Docket 230, Page 98, official records of the Gila County, Arizona Recorder, the Declaration of Establishment of Conditions, Reservations and Restrictions for Beaver Valley Estates Unit Five, recorded on February 11, 1983 at Docket 580, Page 287, official records of the Gila County, Arizona Recorder and re-recorded on March 29, 1983, at Docket 583, Page 145, official records of the Gila County, Arizona Recorder, the Declaration of Establishment of Conditions, Reservations and Restrictions for Beaver Valley Estates, recorded on December 16, 1971 at Docket 312, Page 437, official records of the Gila County, Arizona Recorder, and all amendments thereto.

Section 4. "General Membership Meeting" shall mean any meeting called for the general membership, which shall include all Annual and Special meetings of the Association.

Section 5. "Lot" shall mean a subdivided lot as shown on a Plat or record of survey map covering the Property, including any portion of the Property not platted as lot but contiguous to a Lot and owned by the Owner of a Lot. A Lot shall also mean a subdivided tract shown on a Plat or record of survey map covering the Property that is used for residential purposes and is not owned by the Association. A Lot shall not include any Common Areas. A Lot includes all improvements constructed thereon.

Section 6. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 7. "Member in Good Standing" shall mean and refer to those persons whose right to vote has not been suspended.

Section 8. "Owner" shall mean the record holder of fee title to any Lot, any purchaser under an agreement of sale or contract of purchase and, in the case of a Lot owned in trust, the Owner shall be the trustor if the trust is revocable and the Owner shall be the trustee if the trust is irrevocable. "Owner" excludes those having an interest in the Lot merely as security for the performance of an obligation.

ARTICLE II
MEETINGS OF MEMBERS; VOTING RIGHTS OF MEMBERS

Section 1. Annual Meetings. It is the intent of the Association to hold an Annual Meeting of the Members every twelve (12) months; notwithstanding the foregoing, the Annual Meeting shall be held at least once every fourteen (14) months. The Annual Meeting shall be held at a day and time as designated by the Board.

Section 2. Special Meetings. Special Meetings shall be held at such times and place as may be designated by a majority of the Board of Directors or upon written request of the Members who are entitled to vote one-tenth (1/10) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of all General Membership meetings of the Association shall be given by, or at the direction of, the secretary by delivering or mailing a copy of such notice, postage prepaid, at least ten (10) days but not more than fifty (50) days before such meetings to each Member entitled to vote thereat. Notices shall be addressed to the Members' 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, for Special meetings, state the purpose of the meeting.

Section 4. Quorum. The presence at the meeting, in person or by absentee ballot, of Members in Good Standing entitled to cast twenty-five percent (25%) of the eligible votes of the membership shall constitute a-quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws.

Section 5. Method of Voting. At all meetings of the Members a vote may be cast in person or by absentee ballot and the Board may allow for voting by some other form of delivery.

Section 6. Membership. Every Owner of a Lot shall be a Member of the Association. Membership shall be joined with and may not be separated from ownership of the Lot. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership of the Lot.

Section 7. Voting Rights. Each Member shall be entitled on all issues to one (1) vote for each Lot owned, except that the right to cast or exercise a vote may be suspended as provided in the Declaration and these Bylaws. The vote for each such Lot must be cast as a unit, and fractional votes shall not be allowed. When more than one person owns any Lot, there shall be only one (1) vote with respect to such Lot. In the event that joint Owners are unable to agree among themselves as to how their vote(s) shall be cast, they shall lose their right to vote on the

matter in question. If any Owner or Member casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he/she or they were acting with the authority and consent of all other Owners or Members of the same Lot unless objection thereto is made prior to the deadline for casting the vote. In the event more than one vote is cast for a particular Lot, and one or more conflicting votes are cast, then none of said votes shall be counted as said votes shall be deemed void.

Section 8. Suspension of Voting Rights. A Member's voting rights shall automatically be suspended for any period during which any assessment levied by the Association against his or her Lot remains unpaid and the Board shall have the power, after giving a Member notice and an opportunity to be heard, to suspend a Member's voting rights for a reasonable time period for each infraction or violation of the Declaration and/or the Rules; provided, however, that if the violation is of a continuing nature, the Member's rights shall remain suspended until such violation has been cured.

**ARTICLE III
BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE**

Section 1. Number and Qualifications. The affairs of the Association shall be managed by a Board of Directors which shall consist of not less than five (5) and no more than nine (9) persons who are Members in Good Standing. If a Director loses their status as a Member in Good Standing during their term, such Director shall become disqualified to serve on the Board and shall be deemed to have resigned.

Section 2. Term of Office. The intent of the Association is for the Directors to serve staggered, three-year terms. At each Annual Meeting, the Members shall elect Directors to replace Directors whose terms have expired, and all such Directors shall be elected for a term of three (3) years, except that the Board shall have the right to cause a Director to be elected for less than a three (3) year term if it becomes necessary to re-establish the staggered terms. Unless a Director resigns, becomes unqualified to serve, or is removed from office before the end of his or her term, each Director shall hold office until his or her successor is elected and qualified.

Section 3. Nomination. Nominations for election to the Board may be made by Members, by self-nomination, by the Board of Directors and, if appointed by the Board, a Nominating Committee. Nominations may not be made from the floor at the Annual Meeting. Nominations shall be made in accordance with a procedure established by the Board of Directors.

Section 4. Election. At each Annual Meeting, the Members shall elect Directors to fill Board vacancies by a plurality vote. Election shall be by written ballot. Cumulative voting will not be permitted. The persons receiving the largest number of votes shall be elected. If there is a tie in the amount of votes received, the tie will be broken by agreement of the candidates or, if no such agreement can be reached, by flipping a coin or by other random method.

Section 5. Removal. Any Director may be removed from the Board, with or without cause, by a vote of the Members of the Association, in accordance with Arizona law regarding the



removal of Directors. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

Section 6. Resignation. Any Director 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.

Section 7. Vacancies. In the event of death, disqualification, resignation or removal of a Director, his or her successor shall be selected by the remaining members of the Board and shall serve until the next Annual Meeting.

Section 8. Compensations. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

ARTICLE IV MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board shall be held at the Association clubhouse, or other suitable locations within the State of Arizona, at such day and hour as may be fixed from time to time by the Board. Notice of the time and place of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, e-mail, telephone, or other legally-recognized electronic means at least forty-eight (48) hours prior to the day named for the meeting. Notice of regular meetings of the Board shall be given to Members 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. The failure of any Member to receive actual notice of a meeting of the Board does not affect the validity of any action taken at that meeting.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called to discuss business that cannot be delayed until the next regular Board meeting and the minutes of such special meeting must state the reason necessitating the special meeting. Special meetings of the Board of Directors shall be held when called by the President or by any two Directors, after not less than forty-eight (48) hours notice to each Director, given personally or by mail, e-mail, telephone, or other legally-recognized electronic means, unless emergency circumstances necessitate a meeting before forty-eight (48) hours notice can be given. Notice of special meetings of the Board shall be given to Members 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 necessitate a meeting before forty-eight (48) hours notice can be given. The notice shall specify the time and place of the meeting and the nature of any special business to be considered.

Section 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.

Section 4. Action Taken Without a Meeting. Unless otherwise restricted by statute, the Declaration, the Articles of Incorporation or by these Bylaws, the Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting if the action is taken unanimously by all of the Directors. The action taken must be evidenced by written consent describing the action taken, signed by all Directors, and included with the minutes filed with the corporate records.

Section 5. Means of Participation. Meetings of the Board may be held by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation in a meeting shall constitute presence in person at such meeting. Furthermore, for any Board meetings open to the Members, the means of communication must also allow Members to hear all parties who are speaking during the meeting.

Section 6. Agenda. An agenda will be available to all Members attending a Board meeting.

Section 7. Open Meetings and Executive Sessions. Unless the Board or a committee is permitted by Arizona law to hold a closed meeting or a closed executive session for portions of a meeting, all meetings of the Board of Directors and all regularly scheduled meetings of committees of the Association shall be open to the Members. At any open meeting of the Board of Directors, Members will be entitled to speak before the Board takes formal action on an item under discussion in addition to any other opportunities to speak. The Board of Directors may meet in closed session to discuss the following:

- (a) Legal advice from an attorney for the Board or the Association;
- (b) Pending or contemplated litigation;
- (c) Personal, health, or financial information about an individual Member of the Association, an individual employee of the Association, or an individual employee of a contractor for the Association;
- (d) Matters relating to job performance of, compensation of, health records of, or specific complaints against an individual employee of the Association, or an individual employee of a contractor of the Association who works under the direction of the Association;
- (e) An Owner's appeal of any violation cited or penalty imposed by the Association except on request of the affected Owner that the meeting be held in an open session; and
- (f) Any other matters for which the law allows the Board to meet in executive session.

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

Section 1. Powers. The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and the personal conduct of the Members and their guests in relation to matters of Association business, and to establish penalties for the infraction thereof;
- (b) suspend the 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 giving the Member notice and an opportunity to be heard, for a reasonable time period for each infraction or violation of the Declaration and/or the Rules; provided, however, that if the violation is of a continuing nature, the Member's rights shall remain suspended until such violation has been cured.;
- (c) exercise for the Association all powers, duties and authority vested in or designated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;
- (d) declare the position 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 or is no longer a Member in Good Standing; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs;
- (b) supervise all officers, agents, and employees of this Association, and see that their duties are properly performed;
- (c) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
- (d) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibility to be bonded, in an amount to be deemed appropriate by the Board of Directors; and

(g) cause the Common Area to be maintained.

**ARTICLE VI
OFFICERS AND THEIR DUTIES**

Section 1. Enumeration of Officers. The officers of the Association shall be a president and vice-president, a secretary and a treasurer and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The officers shall be elected by the Board of Directors and this election shall take place, to the extent practical, at the first meeting of the Board of Directors following each Annual Meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 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.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by a majority vote of 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 the 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.

Section 6. Vacancies. A vacancy in an officer position may be filled by appointment by the Board. The person appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Duties. The duties of the officers, which may be delegated as determined by the Board, are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; 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 promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her 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; 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 review, audit or compilation of the Association books to be made at the completion of each fiscal year; and oversee the preparation of an annual budget and a statement of incomes and expenditures.

Section 8. Compensation. All officers shall serve without pay or compensation for any service he or she may render to the Association unless otherwise voted upon by the Board of Directors and ratified by a vote of a majority of the Members voting on the matter. However, any officer may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

**ARTICLE VII
BOOKS AND RECORDS**

The books, records and papers of the Association shall be subject to inspection by any Member during reasonable business hours within ten (10) business days of such request. Each Member may also purchase copies of the Association records within ten (10) business days of such request for a reasonable price, not to exceed any limit imposed by law. Notwithstanding the foregoing, the following are not subject to inspection by any party other than the Board of Directors, its management agent, if any, and its attorneys and accountants, as necessary and appropriate:

- (a) Privileged communication between an attorney for the Association and the Association, including, but not limited to, legal advice from an attorney for the Board or the Association;
- (b) Pending litigation;
- (c) Meeting minutes or other records of a closed executive session of the Board held in accordance with Arizona law;
- (d) Personal, health or financial information about an individual Member of the Association, an individual employee of the Association, or an individual employee of a contractor for the Association;



(e) Records relating to job performance of, compensation of, health records of, or specific complaints against an individual employee of the Association or an individual employee of a contractor of the Association who works under the direction of the Association;

(f) Financial and other records of the Association if disclosure would violate any state or federal law; and

(g) Any other records which may be withheld pursuant to the law.

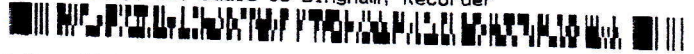
Notwithstanding the foregoing, every Director shall have the right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and reasonable copies of documents at the expense of the Association.

ARTICLE VIII ASSESSMENTS; FINANCIAL

Section 1. Assessments. As more fully provided in the Declaration, each Member is obligated to pay to the Association Assessments which are secured by a continuing 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 twelve percent (12%) per annum, and may be subject to a late fee established by the Board and as permitted by applicable law. In the event the Owner of any Lot fails to pay an Assessment due, the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of each Assessment and secured by the Assessment lien (and by exercising any remedy set forth the Association does not prejudice or waive its right to exercise any other remedies). 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.

Section 2. Indebtedness. The highest amount of indebtedness, direct or contingent, to which the Board of Directors can subject the Association, without the approval of the Members, is an aggregate of Twenty Five Thousand Dollars (\$25,000.00). The Association may be subject to a debt of Two Hundred Fifty Thousand Dollars (\$250,000.00) with the written approval of a majority of all Members.

Section 3. Disposition of Common Area. The Board of Directors shall not have the power to dispose of Common Area through sale, trade or any other method without the written approval of eighty percent (80%) of the Members in Good Standing. Notwithstanding the foregoing, the Board of Directors may grant easements over the Common Area to any public agency, authority or utility and enter into temporary leases, rentals or licenses of the Common Area without the approval of the Members.



**ARTICLE IX
MISCELLANEOUS**

Section 1. Amendments. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of two-thirds (2/3) of the votes cast by Members in Good Standing or a majority of the total eligible votes held by Members in Good Standing, whichever is less. Notwithstanding the foregoing, the Board of Directors may amend these Bylaws without a vote of the Members solely for the purpose of complying with applicable law.

Section 2. Conflict. In the case of conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 3. Committees. In addition to other committees specifically provided for in the Declaration, committees comprised of such persons, formed to perform such tasks, and to serve for such periods as may be designated by the Board of Directors are hereby authorized. All committees shall be responsible for carrying out the duties and responsibilities which have been established by Board and no committee may take action which exceeds its responsibilities. Each committee shall operate in accordance with any terms, limitations, or rules adopted by the Board of Directors. Each committee will elect a chairperson who will be responsible for reporting all committee activities to the Board prior to each regular meeting of the Board.

CERTIFICATION

I, the undersigned, do hereby certify that the above amendments were adopted by the required percentage of the Members.

DATED this 12th day of December, 2014.

BEAVER VALLEY IMPROVEMENT ASSOCIATION

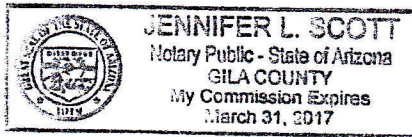
Signature: *Ann Stoppa*
Printed Name: Ann Stoppa
Title: President

STATE OF ARIZONA)
) ss.
County of Gila)

On this 12th day of December, 2014, before me personally appeared Ann Stoppa, whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document, and who acknowledged that he/she signed this document.

Jennifer L. Scott
Notary Public

Notary Seal:





N:\HOA\Beaver Valley - 4379\General Counsel\Amended and Restated Bylaws\Documents\Bylaws, final, approved
by Owners.docx