

BY-LAWS OF TALL PINES RV RESORT, INC.

The following By-Laws shall govern the operation of TALL PINES RV RESORT, INC. ("Resort"), being an Arizona not for profit corporation, located in Show Low, Arizona.

ARTICLE I **NAME, LOCATION AND PURPOSE**

- 1.1 **Name.** The name of the non-profit corporation is TALL PINES RV RESORT, INC., hereinafter referred to as "the Resort."
- 1.2 **Location.** The principal office of the non-profit corporation is located at 2966 Tall Pine Rd. #66, Show Low, Arizona 85901, but meetings of members and directors may be held at such places as may be designated by the Board of Directors
- 1.3 **Purpose.** The purpose of the Resort is to establish and maintain a year-round community of members: forty-five (45) years or older; to provide social, fraternal and recreational opportunities to its members; to engage or participate in any legal and allowed activity, business, or enterprise to procure funds for advancement of such purposes.

ARTICLE II **IDENTITY**

- 2.1 **Status.** TALL PINES RV RESORT, INC. is a non-profit corporation, and no capital stock is authorized, nor shall any be issued.
- 2.2 **Office.** The Office of the Directors shall be at the Resort, or at such other place as may be subsequently designated by the Board of Directors.
- 2.3 **Seal.** A corporate seal shall not be a requisite to the validity of any instrument executed by, or on behalf, of TALL PINES RV RESORT, INC. If a corporate seal is to be used, the same shall be, at the pleasure of the office affixing same, either: 1) A circle having on the circumference thereof the name of TALL PINES RESORT, INC. and in the center "INCORPORATED, 1982, ARIZONA," or a circle containing the words "CORPORATE SEAL," on the circumference thereof.

ARTICLE III **MEMBERSHIP**

- 3.1 **Eligibility.** A member of the Resort shall be a person who has purchased membership in TALL PINES RV RESORT, INC.
- a) A member must be forty-five (45) years of age or older.
 - b) A member must not allow any dependent children, under the age of forty-five (45) years, to reside at the Resort. Exceptions can be made as determined and approved by the Board of Directors if all other provisions are adhered to.

- c) Applicants for membership must have their unit approved by the Architectural Committee before setting up a lot.
- d) All members must pass a background check.
- e) All membership applications must be approved by a majority of the Board of Directors.
- f) An application for membership shall be approved if such application is for the mutual benefit of the members and consistent with the purposes of the Resort.

3.2 Application for Membership. All membership applications must be filed with the Board of Directors, in such form as shall be provided by the Board of Directors. The application form shall include, in addition to such information as the Board of Directors may determine, a statement that the applicant agrees to:

- a) Comply with, and be bound by, the terms and conditions relating to membership contained in the Articles of Incorporation and in these By-Laws and amendments thereto and in Rules and Regulations and Architectural Guidelines set forth by the Board of Directors;
- b) Allow the Board of Directors to conduct a background check and pay the appropriate fee to do so;
- c) Acquire a shareholder/member interest in TALL PINES RV RESORT, INC.

3.3 Maintenance of Membership. Membership in the Resort is maintained by paying such dues or fees as may, from time to time, be assessed by a vote of the Board of Directors; by paying all assessments; and by observance of the Resort rules.

3.4 Good Standing. A member in good standing is one who is current in his or her liabilities to the Resort.

3.5 Dues. Membership dues are determined on a yearly basis and used to maintain the clubhouse, sewer plant, roads, and other common areas, and for garbage pickup, water usage, Resort property taxes, Resort insurance, and all other expenses necessary to maintain the Resort and are used at the sole discretion of the Board of Directors.

- a) Membership dues are not used to maintain the member occupied lots or individual units.
- b) It is the responsibility of the Resort to initiate collection action on delinquent accounts to protect the fiscal integrity of the corporation and the financial interest of all members.
- c) If payment of dues is not made within twenty-five (25) days of the invoice date, a ten percent (10%) late fee is assessed. If full payment is not made within 60 days, an additional \$50 delinquent fee will be assessed monthly until paid in full.
- d) The Resort may initiate all legal proceedings allowed under the law to collect delinquent payments and associated fees.

3.6 Liens. Any member who has incurred a delinquent expense will be subject to discontinuance of electrical service and/or having a lien placed on the member's park model, and the lien will be pursued to the fullest extent allowed under Arizona law.

3.7 Transfer of Membership Interest. Members may sell their membership at whatever price is agreed upon by the seller and buyer, however, the potential buyer must meet all requirements for membership as set forth in these By-Laws.

- a) In all cases of transfer of membership, the seller must submit all unpaid assessments and a one hundred dollar (\$100.00) per lot transfer fee, or such other transfer fee as may be established by the Board of Directors, at the time of transfer of membership.

ARTICLE IV **EXPULSION OF MEMBER**

4.1 Expulsion. The Resort may expel any member of Tall Pines RV Resort, Inc., at any time, for failure to comply with the Membership Interest Purchase Agreement, Proprietary Lease, By-Laws, and Rules/Regulations, of Tall Pines RV Resort, Inc. or any other document signed upon acquisition of a Membership Certificate.

4.2 Notice of Expulsion. A ten (10) day notice shall be given to the member in writing indicating the intention to cause the expulsion and the specific reasons therefor.

4.3 Notice of Appeal to Board. A member who has been served with a Notice of Expulsion shall be given 10 days to file a written Notice of Appeal to the Board and be heard at a meeting of the Board of Directors within two weeks Following the Board's meeting, notice of the Board's decision shall be given to the member by certified mail return receipt requested, within ten (10) days of the hearing.

4.4 Notice of Appeal to Membership. An Appeal from the decision of the Board of Directors regarding a member's expulsion can be made by filing a Notice of Appeal to the Membership with the Secretary of the Board within five (5) days of the receipt of Certified Mail stating Board's decision.

- a) In the event of an Appeal to the membership by the expelled member(s), a decision by the Board to expel a member shall not be effective until confirmed by the vote of the Membership.
- b) An Appeal to the Membership must be heard as soon as possible, either at an Annual Meeting or a Special Meeting, following the procedures outlined in these By-Laws. If a quorum is not met, the Board decision is upheld, and a vote of the Membership is waived.
- c) A majority of the Membership quorum shall vote, and the Board of Directors will provide its decision, in writing, to the member, by certified mail return receipt requested, within ten (10) days of the hearing.

4.5 Expulsion. In the event of expulsion, the member shall have 45 days to vacate the Resort. In the event of expulsion, the member shall no longer be entitled to the rights, privileges and benefits of membership.

- a) An expelled member shall have the right to transfer their Member's interest and/or sell their unit as provided by these By-Laws within the 45-day period.
- b) Upon failure of an expelled member(s) to dispose of the Member's interest, Tall Pines RV Resort, Inc. will acquire member's interest and take all legal measures to recover to Tall Pines RV Resort, Inc. dues, fees and legal expenses from the Member's interest and personal property.

ARTICLE V
RESIGNATION OF MEMBER

5.1 Resignation. Any member may resign by filing a written statement with the Secretary of the Board. A resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments or other charges thereto accrued and unpaid.

ARTICLE VI
REINSTATEMENT OF MEMBER

6.1 Reinstatement. Upon written request filed with the Secretary of the Board, the Board of Directors may reinstate a former member to full membership upon such terms as the Board of Directors may deem appropriate. The Board of Directors may only reinstate a member following an affirmative vote of two-thirds (2/3) of the membership of the Resort.

ARTICLE VII
MEMBERSHIP MEETINGS AND
VOTING PROVISIONS

7.1 Stocks. The Resort shall not issue stock.

7.2 Meetings of Membership. All meetings of the Resort membership shall be held at the Resort or at such other place and time as shall be designated by the Board of Directors of the Resort and stated in the Notice of Meeting. Any items up for vote will require a quorum of 33 member votes.

7.3 Notice of Meetings of Membership. It shall be the duty of the Board Secretary to mail (electronically or US Mail) a Notice of each Annual or Special Meeting, stating the time and place and general matter thereof to each member of record, unless waived in writing.

- a) **Annual Meeting Notice.** Written notice of the annual meeting shall be given to each member at least ten (10) days, and not more than thirty (30) days, prior to the meeting.
- b) **Special Meeting Notice.** Notice of a Special Meeting shall be given to each member, at least ten (10) days, but not more than fifteen (15) days, prior to such meeting. Notice of any Special Meeting shall state the purpose thereof. Members will be required to sign-in prior to the time of the Special meeting.

7.4 Annual Meetings. The Annual Meeting shall be held at the Resort on the second (2nd) Saturday in June of each year, if not a legal holiday, and if a legal holiday, then on the next day following, or at such other date and time as designated by the Board of Directors and stated in the Notice of Meeting.

- a) Members will be required to sign in prior to the time of the Annual Meeting.
- b) Members entitled to vote at the Annual Meeting shall be determined as of 4:00pm on the day before the Annual Meeting.

7.5 Voting at Annual Meetings. Each member shall be entitled to one vote, in person, or by proxy, for each membership share held by such member. The Board Secretary shall provide a list of members in good standing, indicating which members have more than one (1) membership interest, at the annual meeting.

- a) Only Members in good standing shall be eligible to vote at meetings, or by proxy.
- b) The membership list shall be produced and kept at the time and place of the meeting, during the whole time thereof, and may be inspected by any member present.

7.6 Proxies. Votes may be cast in person or by directed proxy. A directed proxy must be a member in good standing. All directed proxies shall be in writing and signed by the person entitled to vote and shall be filed with the Secretary prior to the annual or special meeting in which they are to be used and shall be valid only for the specific meeting designated therein.

- a) Every directed proxy shall be revocable at any time at the pleasure of the member executing it.

7.7 Restriction of Voting Privileges. Any member who is sixty (60) days or more delinquent in payment of monthly dues or other obligations will have their voting privileges revoked until such time that all assessments or obligations have been satisfied.

7.8 Special Meetings. Special Meetings of the members for any purpose or purposes, unless otherwise prescribed by Statute or by the Articles of Incorporation, may be called by the President or any two members of the Board of Directors.

- a) In addition, a Special Meeting may be called by the President or Secretary at the request, in writing, of a majority of the Board of Directors, or at the request, in writing of a majority of all members of the Resort in good standing, which request shall state the purpose or purposes of the proposed meeting.
- b) Business transacted at all Special Meetings shall be confined to purposes stated in the notice thereof.
- c) Only Members in good standing shall be eligible to vote at meetings, or by proxy.

- d) The membership list shall be produced and kept at the time and place of the meeting, during the whole time thereof, and may be inspected by any member present.

7.9 Quorum. Unless otherwise provided in these By-Laws, the presence at the meeting of members entitled to cast votes shall constitute a quorum for any action. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by these By-Laws. The term “majority” is more than fifty percent (50%).

7.10 Order of Business. The order of business at annual members' meetings, and, as far as practical to all other members' meetings, shall be as set by the President.

7.11 Waiver. Attendance of a member at a meeting shall constitute a waiver notice of such meeting, except when such attendance at the meeting is for the express purpose of objection to the transaction of any business because the meeting is not lawfully called or convened.

- a) A member may waive notice of any Annual or Special meetings by filing a written waiver with the Secretary.

7.12 Adjourned Meeting. If any meeting of members cannot be organized because a quorum of Voting Members is not present, either in person or by proxy; the meeting may be adjourned from time to time until a quorum is present.

7.13 Minutes of Meetings. The Resort shall maintain minutes of each meeting of the membership and the Board of Directors in a businesslike manner and the minutes shall be kept in a book available for inspection by members or their authorized representatives at any reasonable time. The Resort shall retain these minutes for a period of not less than five (5) years.

7.14 Written Consent. A meeting and vote of members is not required, if all members who would have been entitled to vote upon the action consent in writing to such action being taken.

ARTICLE VIII **DIRECTORS**

8.1 General. The Board of Directors will consist of five qualified members. The Directors shall be elected each year at the Annual Meeting of the Members.

8.2 Term Limits. Each Director shall serve for a term of two (2) years. Directors shall be limited to uninterrupted Board membership of two terms and no more than two (2) successive terms in the same position.

- a) Each director shall serve for a term of two (2) years or until a successor has been duly elected and qualified.
- b) Should Tall Pines RV Resort, Inc. have limited resources, the membership can vote to retain an existing Director for one (1) additional year.

8.3 Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Resort. In the event of death, resignation or removal of a Director, a successor shall be selected by the remaining members of the Board and shall serve until next annual meeting.

- a) Any Director, or the entire Board of Directors, may be removed, with cause, by a majority of the members entitled to vote pursuant to the By-Laws unless otherwise restricted by law, or the Articles of Incorporation or the By-Laws.

8.4 Vacancies. Any vacancies on the Board of Directors, or newly created Director positions, may be filled by the affirmative vote of the remaining Directors or by the sole remaining Director.

- a) The Director(s) so chosen shall hold office until the next annual meeting and until their successor(s) are duly elected.
- b) If there are no Directors in office, then an election of Directors may be held by Special Meeting of the membership.
- c) Whenever any vacancy occurs in the Board of Directors it shall be filled without undue delay by a majority vote of the remaining members of the Board of Directors at a regular board meeting.

8.5 Resignation. Any Director may resign effective upon written notice to the Board unless the notice specifies a later time for the resignation to become effective.

8.6 Powers. The business and affairs of the Resort shall be managed by its Board of Directors, which may exercise all such powers of the Resort and do all such lawful acts as allowed by statute, the Articles of Incorporation, or these By-Laws directed or required to be exercised or done by the members. These specifically include, but shall not be limited to the following:

- a) The Board of Directors may not engage, participate or intervene in any activities not permitted by a non-profit corporation exempt from Federal Income tax.
- b) To exercise all powers, specifically set forth in the Rules and Regulations, Architectural Guideline, these By-Laws, the Articles of Incorporation of this Resort, and all powers incident thereto.
- c) To make and collect assessments, to include monthly dues, against members to defray the costs, expenses and losses of the Resort and to use and expend the assessments to conduct the purposes and powers of the Resort.
- d) To employ, dismiss and control the personnel necessary for the maintenance and operation of the Resort and of the common areas and facilities, including the right and power to employ attorneys, accountants, contractors and other professionals as the need arises.

- e) To make and amend regulations respecting the operation and use of the common elements and the Resort property and the use and maintenance of the lots therein.
- f) To contract for the management of the Resort and to authorize the management agent to assist the Resort in conducting its powers and duties by performing such functions as the collection of assessments, preparation of records, enforcement of rules and operation and maintenance of the common elements.
- g) Designate one or more committees which, to the extent provided in the resolution designating such committee, shall have the powers of the Board of Directors in the management of the business and affairs of the Resort. Such a committee shall consist of at least three (3) members of the Resort. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors and said committee shall keep regular minutes of their proceedings and report the same to the Board of Directors as required.
- h) To maintain, repair, replace and operate the Resort property and common elements contained therein.
- i) To reconstruct improvements after casualty and further improve the Resort property pursuant to the terms of the Rules and Regulations and Architectural Guidelines.
- j) To enforce by legal means the provisions of the Rules and Regulations, Articles of Incorporation, the By-Laws of the Resort, or Architectural Guidelines for the use of the property including the enforcement by legal means of the collection of assessments, to include monthly dues.
- k) To pay liens against any part of the Resort.
- l) To pay all the cost of all power, water, sewer and other utility services rendered to the Resort that are not billed to Members/owners of individual lots.
- m) To purchase insurance upon the Resort property and insurance for the protection of the Resort and its members, as well as liability insurance for the protection of the Directors and Officers of the Resort.
- n) To approve or disapprove the repair or replacement of any improvements or landscaping to be constructed on the Resort property, as provided in the Rules and Regulations.
- o) To levy fines against members for violations of the Rules and Regulations, or Architectural Guidelines established by the Resort in accordance with its By-Laws and Rules and Regulations.
- p) To obtain Abandoned Title over any vehicles or structures on the lot and remove those structures or vehicles off the premises if necessary.

The foregoing powers shall be exercised by the Board of Directors or its contractor or employees subject only to approval by members when such is specifically required.

8.7 Confidentiality. No Director will discuss or disclose information about Tall Pines RV Resort, Inc., or its activities to any person or entity unless such information is already a matter of public

knowledge. All Directors are to use discretion and good business judgment in discussing the affairs of Tall Pines RV Resort, Inc. with third parties.

8.8 Compensation. The Board of Directors may be paid their expenses, if any, for attendance at each meeting of the Board of Directors. No such payment shall preclude any Director from compensation therefor. The amount, or rate, of such compensation for the Board members shall be established by the Board of Directors and shall be set forth in the minutes of the Board.

8.9 Meeting of Newly Elected Board Members. The first meeting of each newly elected Board of Directors shall be held immediately following the Annual Meeting of the Membership and in the same place as the annual meeting and no notice to the newly elected directors shall be necessary to legally hold the meeting, provided a quorum is present.

- a) In the event such a meeting cannot be held, the meeting may be held at such time and place as shall be specified in a notice for special meetings of the Board of Directors.

8.10 Regular Meetings of the Board. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board. Should a meeting date be established, the Board Secretary shall provide the Board of Directors with Notice of the Meeting and a copy of the meeting agenda prior to the meeting.

8.11 Special Meetings of the Board. The Secretary shall notify the Board of Directors of a special meeting of the Board. Notice of such meetings shall be given to each Director personally, by mail, by phone or other electronic means at least five (5) days prior to the day of the meeting.

- a) In case of an emergency, the five (5) day notice will be waived.
- b) Such special meeting may be conducted in person, or via telephone conference calls or other electronic means.
- c) Decisions of the Directors shall be retained as part of the official records by the Secretary.
- d) In a situation requiring “immediate resolution”, one or more Directors may approve action and convey such to the other Directors. Subsequent regular meetings shall have the minutes reflect any special meetings or “immediate resolutions” that were conducted.

8.12 Executive Session. The Board may enter into Executive Session at any time to discuss matters deemed confidential or privileged, as determined by the Board, in order to effectively govern the Resort.

8.13 Presiding Officer. The presiding officer at the Director’s meetings shall be the President. In the absence of the President, the Vice President shall preside. In the absence of the President and Vice President, the designee of the president shall preside. In the event there is no designee the Board member present with the most seniority shall preside.

8.14 Quorum of Board of Directors. At all meetings of the Board of Directors a majority of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the

Directors present at such meetings at which a quorum is present shall be the acts of the Board of Directors, except where approval by a greater number of Directors is required by these By-Laws.

- a) If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting until a quorum is present.
- b) At each such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.
- c) A Director may join in any action taken at a meeting of the Board of Directors by written concurrence, but such concurrence may not be used for the purpose of creating a quorum.

8.15 Directors' Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof.

8.16 Consent to Action. Unless otherwise restricted by the Articles of Incorporation, or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if all members of the Board consent thereto in writing, and the writings are filed with the minutes of the proceedings of the board.

8.17 Committees. Upon completion of any committee's servitude, the committee will automatically dissolve unless the Board of Directors assigns an additional project(s).

8.18 Parliamentary Procedure. Any question concerning parliamentary procedure at meetings shall be determined by the President and/or Secretary by reference to Robert's Rules of Order.

ARTICLE IX **OFFICERS**

9.1 Elective Officers. The principal officers of the Resort shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. One person may not hold more than one (1) of the aforesaid offices, except one person may be both Secretary and Treasurer. The President and Vice President shall be members of the Board of Directors.

9.2 Appointment. The officers of the Resort shall be appointed annually by the Board of Directors at the organizational meeting of each new Board immediately following the annual meeting.

9.3 Appointive Officers. The Board may appoint an Assistant Secretary and an Assistant Treasurer and such other officers as the Board deems necessary and grant them the duties it deems appropriate.

9.4 Term. The officers of the Resort shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors, may be removed at any time with or without cause by the Board of Directors, provided, however, that no officer shall be removed except by the affirmative vote for removal by a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

9.5 President. The President shall be the Chief Executive Officer of the Resort. He shall preside over all meetings of the members and of the Board of Directors. He shall have executive powers and general supervision over the affairs of the Resort and other officers. He shall sign all written contracts to perform all of the duties incident to his office and which may be delegated to him from time to time by the Board of Directors.

9.6 Vice President. The Vice President shall perform all of the duties of the President in his absence or disability and such other duties as may be required of him from time to time by the Board of Directors.

9.7 Secretary and Assistant Secretary. The Secretary shall issue notices of all Board of Directors' meetings and all meetings of the members; he shall attend and keep the minutes of the same; he shall keep all the Resort's books, records and papers except those kept by the Treasurer. He shall have custody of the Seal of the Resort. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent or incapacitated. The duties of the Secretary may be fulfilled by a manager employed by the Resort.

9.8 Treasurer and Assistant Treasurer.

- a) The Treasurer shall have custody of the Resort funds, evidences of indebtedness and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Resort in accordance with good accounting practices and shall deposit all moneys and other valuable effects in the name of and to the credit of the Resort in such depositories as may be designated from time to time by the Board of Directors. The books shall reflect an account for each lot in the Resort.
- b) The Treasurer shall disburse the funds of the Resort as may be ordered by the Board in accordance with these By-Laws, documenting all expenditures, and shall render to the President and Board of Directors at the regular meeting of the Board of Directors, or whenever they may require it, an account of all of the transactions as Treasurer and of the financial condition of the Resort.
- c) The Treasurer and/or designated accounting firm shall collect the monthly dues and assessments and shall promptly report the status of collections and of all delinquencies to the Board of Directors.
- d) The Assistant Treasurer shall perform the duties of the Treasurer when the Treasurer is absent or incapacitated.

9.9 Indemnification of Directors. Every Director and every officer of the Resort shall be indemnified by the Resort against all expenses and liabilities including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding whether civil, criminal, administrative or investigative, or any settlement of any proceeding, or any appeal from such proceeding to which he may be a party or in which he may become involved by reason of his being or having been a Director or Officer of the Resort, or having served at the Resort's request as a Director or Officer of any other corporation, whether or not he is a Director or Officer at the time such expenses are incurred.

ARTICLE X
REPEAL, ALTERATION OR AMENDMENT

These By-Laws may be repealed, altered or amended, or substitute By-Laws may be adopted at any time, only by a majority of the Board of Directors, except anything that would change or alter the Resort's status as a non-profit organization. Any material repeals must be approved by a majority of Members.

ARTICLE XI
FINANCIAL

No mortgage of Tall Pines RV Resort, Inc. property or assessment of members, resulting from loans, nor any other assessment of the members shall be made, except after a written ballot approval by two-thirds (2/3rds) majority of the members qualified to vote and after at least thirty (30) days written notice to all members qualified to vote and, thereafter, only when sanctioned by a majority of the Board of Directors.

ARTICLE XII
RIGHTS OF HEIRS

Unless the Articles of Incorporation, the By-Laws, or the law under which Tall Pines RV Resort, Inc. was formed provide otherwise, all the rights of a member cease on his or her death, or termination of his or her membership, except heirs of the deceased member are granted full rights and privileges of the membership provided they qualify as a member under Article III of these By-Laws. If the heirs do not qualify as a member, or elect otherwise, they shall have the right to dispose of the membership and the deceased member's interest as provided in said Article III.

ARTICLE XIII
MAINTENANCE AND SERVICE CHARGES

13.1 Financial Report. The members of Tall Pines RV Resort, Inc. acting together, assume the responsibility for the cost of maintaining and operating the Resort each year, at the annual meeting, the Treasurer shall submit a statement showing the cost of operating the Resort for the prior year.

13.2 Resort Charges. The annual maintenance and service charge shall be allocated to members on an equal basis. The annual amount to be assessed to each member shall be voted on and authorized by the Board of Directors. The amount shall be paid to Tall Pines RV Resort, Inc. (TPRVR), net twenty-five (25) days. Notice of the charges shall be electronically mailed or by US Mail to each member with a deadline for payment. A late fee of ten percent (10%) of the assessment will be assessed for all late payments.

ARTICLE XIV
MISCELLANEOUS

14.1 Offices. The known place of business of Tall Pines RV Resort, Inc. shall be located at the office of its statutory agent in the Town of Pinetop-Lakeside, County of Navajo, State of Arizona. Tall Pines

RV Resort, Inc. may have other offices either within, or outside, the State of Arizona at such places as shall be determined from time to time by the Board of Directors as the business of Tall Pines RV Resort, Inc. may require.

14.2 Committees. No Board members shall serve on any other Tall Pines RV Resort, Inc. committee in an official capacity.

14.3 Fiscal Year. The fiscal year of Tall Pines RV Resort, Inc. shall be determined by the Board of Directors.

ARTICLE XV **LIMITATION OF LIABILITY**

Notwithstanding the duty of the Resort to maintain and repair parts of the Resort property, the Resort shall not be liable for injury or damage caused by the condition of the property, nor the injury or damage caused by the elements, or by other owners or persons.

ARTICLE XVI **COMPLIANCE AND DEFAULT**

16.1 Violations. In the event of a violation (other than the nonpayment of an assessment, including monthly dues) by the member of any of the provisions of these By-Laws, Architectural Guidelines, the Articles of Incorporation, or any Rules and Regulations, the Resort, by direction of its Board of Directors, may notify the member by written notice of said breach, transmitted by either US mail, or electronic mail, and if such violation shall continue for a period of thirty (30) days from the date of the notice, the Resort, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of these By-Laws, the Articles of Incorporation, Architectural Guidelines or the Rules and Regulations, and the Resort may then, at its option, have the following elections:

- (1) An action at law to recover damages on behalf of the Resort or on behalf of the other members;
- (2) An action in equity to enforce performance on the part of the member;
- (3) An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief. Upon a finding by the Court that the violation complained of has occurred, the member so violating shall reimburse the Resort for reasonable attorneys' fees and costs incurred by it in bringing such action. Failure on the part of the Resort to maintain such an action at law or in equity within thirty (30) days from date of a written request, signed by a member, sent to the Board of Directors, shall authorize any member to bring an action in equity or suit at law on account of the violation. Any violations which are deemed by the Board of Directors to be a hazard to public health may be corrected immediately as an emergency matter by the Resort, and the cost thereof shall be charged to the member as a specific item which shall be a lien against said lot with the same force and effect as if the charge were a part of the common expense.

16.2 Negligence or Carelessness of Lot Owner, etc. All members shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, or employees. Such liability shall include any increase in insurance rates occasioned by the members. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies or rights of subrogation. The expense for any maintenance, repair or replacement required, as provided in this section, shall be charged to said member.

16.3 Costs and Attorneys' Fees. In any proceeding brought by the Resort, or another member to enforce the provisions of these By-Laws, Architectural Guidelines any Rules and Regulations promulgated there under, or the Articles of Incorporation, arising because of an alleged default or damages caused by a member, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the court.

16.4 No Waiver of Rights. The failure of the Resort or of a member to enforce any right, provision, covenant or condition which may be granted by the Resort documents shall not constitute a waiver of the right of the Resort or member to enforce such right, provision, covenant or condition in the future.

16.5 No Election of Remedies. All rights, remedies and privileges granted to the Resort, or members pursuant to any terms, provisions, covenants or conditions of the Resort documents, shall be deemed to be cumulative and the exercise of anyone or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such other party by the Resort documents, or at law, or in equity.

ARTICLE XVII **NOTICES**

Whatever notices are required to be sent hereunder shall be delivered or sent in accordance with the applicable provisions for notices, as set forth in these By-Laws and the Rules and Regulations.

ARTICLE XVIII **LIABILITY SURVIVES TERMINATION OF MEMBERSHIP**

The termination of membership in the Resort shall not relieve or release any such former owner or member from any liability for obligations incurred under or in any way connected with the Resort during the period of such ownership and membership or impair any rights or remedies which the Resort may have against such former owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

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