

**BY-LAWS
OF
THE PONDEROSA PARK ASSOCIATION, INC**
(As adopted _____, 2003)

ARTICLE I

SECTION 1. Name. The name of the corporation is **THE PONDEROSA PARK ASSOCIATION, INC.**, hereinafter referred to as the "corporation".

SECTION 2. Principal Office. The principal office of the corporation shall be maintained within the Ponderosa Park Subdivision as recorded in the Yavapai Books of Records, Arizona or at such other place in the State of Arizona as the Board of Directors (B.O.D.) from time to time shall determine.

SECTION 3. Place of Meeting. All meetings of the members and of the Board of Directors, (B.O.D.), shall be held at such place as is stated in the call for the meeting.

SECTION 4. Seal. The corporation may, but need not have a common seal.

**ARTICLE II
MEMBERS**

SECTION 1. Eligibility and Membership. Membership is open to all property owners and residents who desire to assist in the orderly development, benefit, and security of the property owners and residents of the Ponderosa Park Subdivision of Yavapai County, Arizona. No owner or resident may be denied membership upon payment of dues. "Owner" shall include successors, heirs, executors, administrators, and permitted assigns. "Resident" is defined as an individual registered to vote in Yavapai County from a Ponderosa Park Subdivision address. Membership classifications may be established by the B.O.D. from time to time. However, it is intended that each member be limited to one vote. The number of votes and dues for each membership within a classification shall be established by the B.O.D. and approved by the membership as defined in Article III.

SECTION 2. Dues. Annual dues are payable by January 31st of each year as established at the previous Annual Membership Meeting. Dues are for the current calendar year and no prorating of the dues is established.

SECTION 3. Expulsion, withdrawal, transfer. Membership is non-transferable. Upon sale of property or change of residency, payment of dues by the new owner or resident is required. Members shall lose their voting rights if their dues are delinquent for more than thirty days.

**ARTICLE III
DUES**

The purpose of the dues is to fund normal business expenses. Annual Dues shall become

due and payable as specified in Article II, Section 2. The amount shall be set for the coming year at each Annual Membership meeting by the membership assembled for the membership categories established.

ARTICLE IV MEETINGS

SECTION 1. Annual Membership Meeting. The Annual Membership Meeting shall be for the purpose of electing officers, voting on the coming year dues, and conducting regular business. It shall be held during the second quarter of the year (April, May, or June) with a minimum of a three-week notice given to all corporation members and all other residents by the B.O.D. Notice of the meeting shall include the recipient's membership status and voting rights.

SECTION 2. Special Meetings. Special membership meetings may be called by the B.O.D. with written notice or by petition of 20% of the members in good standing.

SECTION 3. Notice of Meetings. Notice of the Annual Membership Meeting will be in accordance with Section 1 above. Notice of special meetings shall be made at least 10 days prior to the meeting. Regular first class mail to the last recorded address of the owner or resident member shall be sufficient notification or if elected by the member, notices may be sent by electronic mail. Failure to receive a duly prepared notice does not invalidate a meeting.

SECTION 4. Proxies. The presence of members in person or by proxy at any properly called meeting shall be considered valid for the purpose of a quorum. Proxies will be accepted by the Secretary in writing and shall remain in effect for 90 days.

SECTION 5. Quorum. The presence of 20% of the paid up members in person or by proxy at any meeting for which proper notice has been given shall constitute a quorum. A concurring vote of the majority of members present shall be binding on the corporation.

SECTION 6. Voting. Each and every member in good standing may vote by proxy or in person. Members with delinquent dues may not vote and shall be so notified at the time of any meeting notice. Payment of delinquent dues prior to a properly called meeting shall re-establish the member's voting rights.

ARTICLE V BOARD OF DIRECTORS

SECTION 1. Number. There shall not be less than three (3) nor more than seven (7) members of the Board of Directors who shall be elected at the Annual Membership meeting. All must be members in good standing and a majority must be full time residents of the Ponderosa Park Subdivision.

SECTION 2. Election and Term. Election of Officers shall be for: President, Vice President, Secretary, Treasurer, and three (3) Directors; all of whom shall constitute the

B.O.D. The term for Officers shall be for one year or until the next Annual Membership meeting. The term of Directors shall be for three (3) years with exception of the initial terms of 1, 2, and 3 years. Election each following year will be for a 3-year term for the expiring Director's term. Vacancies shall be filled by B.O.D. appointment until the next Annual Membership meeting. The senior B.O.D. member present shall act as President in case the President and Vice Present are absent.

SECTION 3. Meetings. The B. O. D. shall meet as necessary to conduct the business of the corporation. They shall meet no less frequently than once per quarter with one meeting in the second quarter required to prepare the proposed membership classifications, dues, and voting rights for the following calendar year to be presented at the Annual Membership Meeting. A quorum for a B. O. D. meeting shall be a majority of the Officers and Directors either present or by proxy.

SECTION 4. Committees. The B.O.D. may establish committees that shall conduct meetings for the purpose of achieving specific goals. The President shall be an ex-officio member of all established committees. Chairpersons shall be appointed by the B. O. D. who then may appoint the committee members. Committees may establish other meetings to be held at such places and at such time as it may deem necessary. A quorum for these meetings (committees, projects, services, etc.) shall consist of a majority of the committee members present in person or by proxy.

SECTION 5. Actions Authorized without Meeting. Any action, which the B.O.D. may lawfully take, may be taken with the assent of the majority of the Officers and Directors to be filed with the Secretary, signed by all Directors.

SECTION 6 Powers Subject to the limitations of the Articles of Incorporation, By-laws, and laws of the State of Arizona, the B.O.D, is empowered to direct the business and affairs of the corporation for any and every lawful act.

SECTION 7. Removal Any Officer or Director may be removed from office with cause for either misfeasance, malfeasance, or nonfeasance of their duties by a concurring vote of $\frac{3}{4}$ of the members present at any duly called meeting of the membership. Nonfeasance may be considered to be, but not limited to, nonattendance at called meetings, failure to provide required reports, failure to respond to corporation communications, etc., during a period of three months.

SECTION 8. Compensation Members of the Board receive no compensation; but may be reimbursed for actual, authorized expenses.

ARTICLE VI PRESIDENT

SECTION 1. Powers and Duties The President when present shall preside at all meetings of the members of the corporation and of the Board of Directors. Subject to the control of the B.O.D., he shall be the Chief Executive Officer of the corporation, shall

exercise general supervision and direction over the management and conduct of the business and affairs of the corporation, and shall have the right to inspect at all times any and all of the records, accounts and property of the corporation. He shall also have such other powers and duties as are given to him elsewhere by law or these By-laws and as may be assigned to him from time to time by the B.O.D.

ARTICLE VII VICE PRESIDENT

SECTION 1A. Powers and Duties. The Vice President shall assume and perform the duties of the President in his absence or disability or whenever the office of President is vacant. The Vice President shall have such other powers and duties as may be assigned to him from time to time by the B.O.D.

ARTICLE VIII SECRETARY

SECTION 1. Powers and Duties. The Secretary shall attend and keep the minutes of all meetings of the members of the corporation and the Board of Directors in books provided for that purpose. The Secretary shall give all notices provided by these By-laws and shall have such other power and duties as may be incidental to the office of Secretary or elsewhere given to him from time to time by the B.O.D. The Secretary shall maintain the active membership lists and be prepared to provide such a membership report within three (3) business days of any scheduled meeting of the B.O.D. or the general membership.

SECTION 2. Secretary Pro Tem. In the absence of the Secretary at any meeting, the presiding officer shall appoint a Secretary pro tem. The Secretary Pro Tem shall keep the minutes of such meeting and record them in the books provided for that purpose.

ARTICLE IX TREASURER

SECTION 1. Powers and Duties. The Treasurer shall be elected and bonding is not required. Duties shall include receiving all monies from the Secretary and depositing the same in an interest bearing account at the bank set by the B.O.D. or otherwise designated account. These deposits shall be used to make payments of the corporation's obligations as authorized by the B.O.D. The Treasurer shall be prepared to provide an accounting of the accounts payable, funds available, and accounts receivable within three (3) business days of a request of the B.O.D. for such reports.

SECTION 2. Signature Cards. The Treasurer shall maintain signature cards at the financial institutions where accounts are established for any two of three signatures required for authorizing payments. The signatures shall include the Treasurer, President, and one other Board member designated by the B.O.D.

ARTICLE X EXECUTION OF INSTRUMENTS

SECTION 1. Authorized Signatures. All checks, drafts, notes, bonds, acceptances, deeds, leases, contracts and all other instruments shall be signed by such person or persons as shall be provided by general or special resolution of the B.O.D. In the absence of any general or special resolution applicable to any such instrument, then such instrument shall be signed by the President and by the Secretary.

ARTICLE XI LIABILITY OF OFFICERS AND DIRECTORS

SECTION 1. Exculpation. Each Officer or Director shall be free from all personal liability for any acts done on behalf of the corporation or for any losses incurred or sustained by the corporation unless the same have occurred through his willful negligence, neglect or misconduct.

SECTION 2. Indemnification. Every Director or Officer shall be indemnified by the corporation against all reasonable costs, expenses and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon him in connection with or resulting from any claim, action, suit, proceeding, investigation or inquiry of whatever nature in which he may be involved as a party or otherwise by reason of his being or having been a Director or Officer of the corporation, whether or not he continues to be such Director or Officer of the corporation at the time of the incurring or imposition of such costs, expenses or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct, willful neglect or negligence toward the corporation in the performance of his duties as such Director or Officer. As to whether or not a Director or Officer was liable by reason of willful misconduct, willful neglect or negligence toward the corporation in the performance of his duties as such Director or Officer, in the absence of such final adjudication of the existence of such liability, the B.O.D. and each Director and Officer may conclusively rely upon an opinion of legal counsel selected by or in manner designated by the B.O.D. The foregoing right to indemnification shall be in addition to and not in limitation of all other rights to which such person may be entitled as a matter of law, and shall inure to the benefit of the legal representatives of such person.

ARTICLE XII AMENDMENTS

SECTION 1. These By-laws may be altered, amended or repealed by 2/3 vote of the members, present or by proxy, at any duly called meeting provided that proposed changes to the By-laws are included in the written notice of the meeting.

ARTICLE XIII
ROBERT'S RULES OF ORDER

Roberts Rules of Order shall pertain in any matter not specifically covered in the Articles of Incorporation or these by-laws.

Hereby adopted ✓ (date) Sept, 2003, by the members of THE PONDEROSA PARK ASSOCIATION, Inc. at a properly called meeting.

(signed President & Secretary)