

# **BYLAWS**

**Of**

***Shadow Rock Ranch Property  
Owners Association, Inc.***

**Governing the Board of Directors**

**28 June 2007**

***Revision 3.0***

**Effective 15 March 2010**

## **Record of Change**

<b>Change #</b>	<b>Effective Date of Change</b>	<b>Authority for Change</b>
1	1 March 2007	Regular BoD Meeting, 17 March 2007
2	1 July 2007	Regular BoD Meeting, 23 June 2007 Executive Committee Approval, 28 June 2007
3	15 March 2010	Regular BoD Meeting, 6 March 2010

## ***Summary of Change***

### **Bylaws**

Shadow Rock Ranch Property Owners Association

Change #1  
Dated 1 January 2007

Authority for Change: Regular BoD Meeting, 17 March 2007

**Reference Article II, Section 2, changed as follows:** “The number of Directors shall be five (5) Directors decided upon by a majority vote of the owners casting ballots. Each Director shall hold office for a period of two years and until his or her successor shall have been elected and qualified. Qualified nominations for director positions: (1) must be owners of parcels or partial owners or original parcels subsequently divided; (2) must not have a criminal felony record pertaining to a transaction in securities, consumer fraud or antitrust, misrepresentation, theft by false pretenses, or restraining the trade or monopoly in any state or federal jurisdiction within the seven year period immediately preceding a board nomination; (3) must be paid in full on all association fees, assessments, and special assessments; (4) must be able to review, edit, and write documents in digital formats, e.g. MS Word, Excel, and PowerPoint or similar compatible applications; (5) must be able to receive and send e-mail; and (6) Election ballots will be counted and certified by the Association Attorney or other non-board member(s). Association directors do not have administrative support and are considered to be “working directors”, that is to say, directors are expected to write, edit, format, and prepare documentation in accordance with best commercial corporate management practices.”

**Reference Article II, Section 4, changed as follows:** “Notice of any special meeting of the Board of Directors shall be given at least ten (10) days prior thereto by written notice delivered personally or sent by mail or telegram or e-mail to each Director at his or her address as shown by the records of the corporation. All e-mail transmitted for official board business, e.g. agenda, meeting announcement, and etc. should contain a request for electronic acknowledgement/receipt, when required or stated therein or requested by the initiating board member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular

annual meeting or any special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws, in the event they are amended.

**Reference Article III, Section 3, changes as follows:** “Any officer elected by the Association or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby. Any elected or appointed person removed by the Board of Directors for cause shall be ineligible from holding an elected or appointed office for a period of 20 years from the date of removal.”

**Reference Article V, Section I, changes as follows:** “The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. All authorized contracts require a majority vote of a quorum Board and must be documented in the meeting/proceedings minutes.”

**Reference, Article VI, Budgets, is changed as follows:**

### **Section I - Budget**

“A budget setting forth the “basic expenses” shall be prepared by the Board of Directors and distributed to members not less than thirty (30) days prior to the start of the calendar year. “Basic Expenses” shall mean the estimated aggregate amount of expenses, as set forth in the budget, to be incurred by the Association during the calendar year to operate, administer, manage, maintain, improve, the roadways, along with gates, fences, and culverts involving such roadways and any common areas and water wells so designated as an Association function and to provide for reserves to ensure, when due, the cost of capital expenditures relating to any such purposes. The Board is limited to no more than a 20% increase to the regular assessment/fees from the previous year, when required. Should there be no increase in any given year, the Board is prohibited from carrying forward an increase not authorized - increases are not cumulative. In the event the Board of Directors at any time during the calendar year determines that the budget will be in excess of the amount needed to meet “basic expenses”, the Board of Directors shall prepare an estimate of such excess and shall apply same to reduce the amount assessed for the next succeeding calendar year.”

### **SECTION II – Delinquent Accounts.**

#### **FEES AND COMPUTATION.**

The Treasurer shall charge any Parcel Owner designated as delinquent a ten percent (10%) late charge. A Parcel Owner who remains delinquent after the first year’s assessment and requiring a Lien be recorded, the Parcel Owner shall be charged a \$30.00 document fee for the recording of the Lien, a \$50.00 Lien fee, and eight (8%)

interest on accruing charges annually. These charges shall continue to accrue each year the assessment remains unpaid/arrears, with the exception the document fee is a one time charge for the recording of the initial lien.

**Example:** The 1<sup>st</sup> year, Parcel Assessment amount \$100.00 deemed delinquent would be calculated as  $\$100.00 \times 10\% = \$10.00$  making the total due \$110.00. Beginning the 2<sup>nd</sup> year, with Lien recording the payment would be calculated as  $\$110.00 + \$30.00$  Document Fee +  $\$50.00$  Lien Fee +  $\$15.20$  applied interest =  $\$205.20$ . Should the Parcel remain unpaid through another assessment period the charges would  $\$110.00$  delinquent amount +  $\$50.00$  Lien Fee +  $\$12.80$  applied interest =  $\$172.80$ . Interest is not compounded from year to year. Total amount due to bring the example account current is  $\$378.00$ . These fees may be adjusted from time to time as the Board of Directors deems necessary and/or in the Association's interest.

### **LEINED PARCELS AND OWNER STANDING.**

The Treasurer may from time to time have to lien a Parcel for non-payment of a regular or special assessment. Once a Lien is recorded against a parcel owner, that owner is considered to be **not in good standing** with the Association. A parcel owner **not in good standing** loses the right to take part in Association matters, such as, voting, running for the Board, participating in open meetings, etc. These privileges are restored only upon the payment of all arrears assessments and the release of lien.

**Reference, Article VIII, Rental & Sales, is changed as follows:**

#### **SECTION I – Rentals**

“When a Parcel Owner rents his or her property, he or she shall provide the renter with a copy of the Association’s Bylaws and the Declaration of Covenants, Conditions, and Restrictions (CC&Rs) and shall include in the rental agreement a provision that the renter shall abide by these documents. The Parcel Owner also shall supply a copy of the rental agreement to the Board of Directors.”

#### **SECTION II - Sales**

“When a lot is sold, the selling Parcel Owner, or his or her agent shall notify the SRRPOA at the address on record of such a sale. Additionally, the selling Parcel Owner, or his or her agent, shall supply the buyer with a copy of the Association’s Bylaws, Articles of Incorporation, and of the Declaration of Covenants, Conditions, and Restrictions (CC&Rs). The preceding also applies to any subdivision of a lot. In order to proceed with a subdivision the SRRPOA must be notified, at the corporate office address, of the subdivision. Any subdivision must be a minimum parcel size of ten (10) acres as stated in the CC&Rs”

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**Reference, Article IX, Construction, is changed as follows:**

If there is any inconsistency or conflict between these Bylaws and such Declaration, it shall be resolved by the Board of Directors under the powers granted in the Articles of Incorporation and Declaration to manage all affairs of the Association. All terms and definitions used in these Bylaws which are also in the Declaration shall have the same meaning as provided for such terms and definitions stated therein. Specifically, the Declaration establishes covenants, conditions, and restrictions on properties within the Association's boundaries and the Bylaws govern how the Board of Directors shall manage all affairs of the Association. The BoDs has the power, along with any owner, to enforce the CC&Rs – the BoD's serves to arbitrate and help resolve issues in breach of the CC&Rs.

*Shadow Rock Ranch Property Owners Association  
Yavapai County, State of Arizona*

Change #2  
Dated 1 July 2007

Authority for Change: Regular BoD Meeting, 23 June 2007  
Executive Committee Approval, 28 June 2007

**Reference Article II, Section 2, changed as follows:** “The number of Directors shall be five (5) Directors decided upon by a majority vote of the owners casting ballots. Each Director shall hold office for a period of two years and until his or her successor shall have been elected and qualified. Elections are to be staggered into two groups: (1) Vice President & Treasurer; and (2) President, Secretary, and Member-at-Large with each group being elected by the Association membership in alternating years. Qualified nominations for director positions: (1) must be owners of parcels or partial owners or original parcels subsequently divided; (2) must not have a criminal felony record pertaining to a transaction in securities, consumer fraud or antitrust, misrepresentation, theft by false pretenses, or restraining the trade or monopoly in any state or federal jurisdiction within the seven year period immediately preceding a board nomination; (3) must be paid in full on all association fees, assessments, and special assessments; (4) must be able to review, edit, and write documents in digital formats, e.g. MS Word, Excel, and PowerPoint or similar compatible applications; (5) must be able to receive and send e-mail; and (6) Election ballots will be counted and certified by the Association Attorney or other non-board member(s). Association directors do not have administrative support and are considered to be “working directors”, that is to say, directors are expected to write, edit, format, and prepare documentation in accordance with best commercial corporate management practices.”

*Shadow Rock Ranch Property Owners Association  
Yavapai County, State of Arizona*

Change #3  
Dated 5 March 2010

Authority for Change: Regular BoD Meeting, 6 March 2010

**Reference, Article VI, Budgets, is changed as follows:**

**SECTION II – Delinquent Accounts.**

**FEES AND COMPUTATION.**

Paragraph removed. Rationale – this content is contained in Association, Administrative Procedures Manual T-10 (APM T-10) pertaining to Treasurer duties and Association financial administration.

Section II, re-titled, “LEINED PARCELS, DELINQUENT ACCOUNTS, AND OWNER STANDING.”



## **Administrative Notes**

### **BYLAWS**

#### **Of**

#### ***Shadow Rock Ranch Property Owners Association***

Note #1. References to gender are deemed to be gender non-specific.

Note #2. The Board Secretary is the office of record for the Bylaws.

Note #3. The SRRPOA and its BoDs, management body, may be referred to as the **Association** and terms used interchangeably. As stated in the CC&Rs, the original Declarant of Shadow Rock Ranch (Arizona Ranches & Land) notified the Association (BoDs) 30 days in advance of the Transition Date, that “thereafter, all affairs of the Association shall be conducted by a Board of Directors and such officers that the Board may elect or appoint in accordance with the Articles and Bylaws, as they may be amended from time to time.”

Note #4 The SRRPOA Board of Directors does not have administrative support of any kind. In this regard, the volunteer directors are “working directors” (with no compensation and/or remuneration) who prepare, edit, format, review, and write documentation for the corporation as assigned and/or agreed among the Directors. As a non-profit corporation, volunteer Directors are not be reimbursed for computer equipment and associated supplies, e.g. paper, print cartridges, e-mail service fees, etc., and postage used to communicate with and/or among the directors and/or owners. Directors are not compensated for meeting travel expenses, e.g. lodging, fuel, mileage, or meals.

Note #5 The SRRPOA Secretary is the only Director and/or owner authorized to mail official correspondence and documents to the Association at large using corporate funding for postage, when directed by the Board of Directors. The Board of Directors will not publish any list containing owner information for public release (see Policy Memorandum #1-07, Administrative Policy & Procedures).

Note #6 The SRRPOA Articles of Incorporation (AOI) take precedent over the CC&Rs and Bylaws. These Bylaws are in compliance with the AOI that require the SRR to have a Board of Directors to: (1) Fix and collect Assessments; (2) To enforce the CC&Rs affecting any property to the extent the Association may be authorized to do so under the Declaration of CC&Rs; and (3) To enter, make, perform, or enforce contracts of every kind and to do all other acts necessary, appropriate, and desirable in carrying out any purpose of the Association.

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**BYLAWS OF  
SHADOW ROCK RANCH PROPOERTY OWNERS ASSOCIATION, INC.**

**ARTICLE I**

The principal office of the corporation is the State of Arizona shall be located in Prescott, County of Yavapai. The corporation may have such other offices, either within or without the State of Arizona, as the Board of Directors (BoDs) may determine or as the affairs of the corporation may require from time to time.

**ARTICLE II  
BOARD OR DIRECTORS**

**SECTION 1. General Powers.** The affairs of the corporation shall be managed by its Board of Directors. Directors need not be residents of the State of Arizona.

**SECTION 2. Number, Tenure, and Qualifications.** The number of Directors shall be five (5) Directors decided upon by a majority vote of the owners casting ballots. Each Director shall hold office for a period of two years and until his or her successor shall have been elected and qualified. Elections are to be staggered into two groups: (1) Vice President & Treasurer; and (2) President, Secretary, and Member-at-Large with each group being elected by the Association membership in alternating years. Qualified nominations for director positions: (1) must be owners of parcels or partial owners or original parcels subsequently divided; (2) must not have a criminal felony record pertaining to a transaction in securities, consumer fraud or antitrust, misrepresentation,

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24 theft by false pretenses, or restraining the trade or monopoly in any state or federal  
25 jurisdiction within the seven year period immediately preceding a board nomination; (3)  
26 must be paid in full on all association fees, assessments, and special assessments; (4)  
27 must be able to review, edit, and write documents in digital formats, e.g. MS Word,  
28 Excel, and PowerPoint or similar compatible applications; (5) must be able to receive  
29 and send e-mail; and (6) Election ballots will be counted and certified by the Association  
30 Attorney or other non-board member(s). Association directors do not have  
31 administrative support and are considered to be “working directors”, that is to say,  
32 directors are expected to write, edit, format, and prepare documentation in accordance  
33 with best commercial corporate management practices.

34       **SECTION 3. Special Meetings.** Special meetings of the Board of Directors may  
35 be called by or at the request of the President or any two (2) Directors. The person or  
36 persons authorized to call special meetings of the Board may fix any place as the place  
37 for holding any special meeting of the Board called by them.

38       **SECTION 4. Notice.** Notice of any special meeting of the Board of Directors  
39 shall be given at least ten (10) days prior thereto by written notice delivered personally  
40 or sent by mail or telegram or e-mail to each Director at his or her address as shown by  
41 the records of the corporation. All e-mail transmitted for official board business, e.g.  
42 agenda, meeting announcement, and etc. should contain a request for electronic  
43 acknowledgement/receipt, when required or stated therein or requested by the  
44 Secretary. If mailed, such notice shall be deemed to be delivered when deposited in the  
45 United States mail in a sealed envelope so addressed, with postage thereon prepaid.  
46 Any Director may waive notice of any meeting. The attendance of a Director at any

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47 meeting shall constitute a waiver of notice of such meeting, except where a Director  
48 attends a meeting for the express purpose of objecting to the transaction of any  
49 business because the meeting is not lawfully called or convened. Neither the business  
50 to be transacted at, nor the purpose of, any regular annual meeting or any special  
51 meeting of the Board need be specified in the notice or waiver of notice of such  
52 meeting, unless specifically required by law or by these Bylaws, in the event they are  
53 amended.

54       **SECTION 5. Quorum.** A majority of the Board of Directors shall constitute a  
55 quorum for the transaction of business ant any meeting of the Board, but if less than a  
56 majority of the Directors are present at said meeting, a majority of the Directors present  
57 may adjourn the meeting from time to time with further notice.

58       **SECTION 6. Manner of Acting.** The act of a majority of the Directors present at  
59 a meeting at which a quorum is present shall be the act of the Board of Directors,  
60 unless the act of a greater number is required by law or by these Bylaws.

61       **SECTION 7. Vacancies.** Any vacancy occurring in the Board of Directors and  
62 any directorship to be filled by reason of an increase in the number of directors may be  
63 filled by the affirmative vote of a majority of the remaining directors, through less than a  
64 quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected  
65 for the unexpired term of his or her predecessor in office.

66       **SECTION 8. Compensation.** Directors shall not receive any stated salary or  
67 any form of payment for their services.

68       **SECTION 9. Informal Action by Directors.** Any action required by law to be  
69 taken at a meeting of Directors, or any action which may be taken at a meeting of

70 Directors, may be taken without a meeting if a consent in writing, setting forth the action  
71 so taken, shall be signed by all of the Directors.

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### **ARTICLE III**

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### **OFFICERS**

75       **SECTION 1. Officers.** The officers of the corporation shall be a President, a  
76 Vice President, a Secretary, a Treasurer, and such other officers as may be elected in  
77 accordance with the provisions of this Article. Any two or more offices may be held by  
78 the same person, except the offices of President and Secretary.

79       **SECTION 2. Election and Term of Office.** The officers of the corporation shall  
80 be elected annually by the Board of Directors at the regular annual meeting of the Board  
81 of Directors. If the election of officers shall not be held at such meeting, such election  
82 shall be held as soon thereafter as conveniently may be. New offices may be created  
83 and filled at any meeting of the Board of Directors. Each officer shall hold office until his  
84 or her successor shall have been duly elected and shall have qualified.

85       **SECTION 3. Removal.** Any officer elected by the Association or appointed by  
86 the Board of Directors may be removed by the Board of Directors whenever in its  
87 judgment the best interests of the corporation would be served thereby. Any elected or  
88 appointed person removed by the Board of Directors for cause shall be ineligible from  
89 holding an elected or appointed office for a period of 20 years from the date of removal.

90       **SECTION 4. Vacancies.** A vacancy in any office because of death, resignation,  
91 removal, disqualification or otherwise, may be filled by the Board of Directors for the  
92 unexpired portion of the term.

93           **SECTION 5. President.** The President shall be the principal executive officer of  
94 the Association and shall in general supervise and control of the business and affairs of  
95 the Association. He or she shall preside at all meetings of the members and of the  
96 Board of Directors. He or she may sign, with the Secretary or other proper officer of the  
97 corporation authorized by the Board of Directors, any deeds, mortgages, bonds,  
98 contracts, or other instruments which the Board of Directors has authorized to be  
99 executed, except in cases where the signing and execution thereof shall be expressly  
100 delegated by the Board of Directors or by these Bylaws or by statute to some other  
101 officer or agent of the corporation; and in general he or she shall perform all duties  
102 incident to the office of President and such other duties as may be prescribed by the  
103 Board of Directors from time to time.

104           **SECTION 6. Vice President.** In the absence of the President or in event of his  
105 or her inability or refusal to act, the Vice President shall perform the duties of the  
106 President, and when so acting, shall have all the powers of and be subject to all the  
107 restrictions upon the President. Any Vice President shall perform such other duties as  
108 from time to time may be assigned to him or her by the President or by the Board of  
109 Directors.

110           **SECTION 7. Treasurer.** The Treasurer shall give a bond to Board of Directors  
111 for the faithful discharge of his or her duties in sum and with such surety as the Board of  
112 Directors shall determine. He or she shall have charge and custody of and be  
113 responsible for all funds of the Association; receive and give receipts for moneys due  
114 and payable to the Association; receive and give receipts for moneys due and payable  
115 to the Association from any source whatsoever, and deposit all such moneys in the

116 name of the Association in such banks, trust companies or other depositories as shall  
117 be selected in accordance with the provisions of Article V of these Bylaws; and in  
118 general perform all the duties incident to the office of Treasurer and such other duties  
119 as from time to time may be assigned to him or her by the President or by the Board of  
120 Directors.

121         **SECTION 8. Secretary.** The Secretary shall keep the minutes of the meetings  
122 and of the Board of Directors in one or more books provided for that purpose; see that  
123 all notices are duly given in accordance with the provisions of these Bylaws or as  
124 required by law; be custodian of the corporate records and of the seal of the corporation  
125 and see that the seal of the corporation is affixed to all documents, the execution of  
126 which on behalf of the corporation under its seal is duly authorized in accordance with  
127 provisions of these Bylaws; keep a register of the post office address of each member  
128 which shall be furnished to the Secretary by such member; and in general perform all  
129 duties incident to the office of Secretary and such other duties as from time to time may  
130 be assigned to him or her by the President or by Board of Directors.

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## **ARTICLE IV**

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### **COMMITTEES**

134         **SECTION 1. Committees of Directors.** The Board of Directors, by resolution  
135 adopted by a majority of the Directors in office, may designate and appoint one or more  
136 committees, each of which shall consist of one (1) or more Directors, which committees,  
137 to the extent provided in said resolution, shall have and exercise the authority of the  
138 Board of Directors in the management of the Association, except that no such

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139 committee shall have the authority of the Board of Directors in reference to amending,  
140 altering or repealing by Bylaws; electing, appointing or removing any member of any  
141 such committee or any Director or officer of the Association; amending the Articles of  
142 Incorporation; restating articles of incorporation; adopting a plan of merger or adopting a  
143 plan of consolidation with another Association or corporation; authorizing the sale,  
144 lease, exchange or mortgage of all or substantially all of the property and assets of the  
145 Association; authorizing the voluntary dissolution of the Association or revoking  
146 proceedings therefore; adopting a plan for the distribution of the assets of the  
147 Association; or amending, altering or repealing any resolution of the Board of Directors  
148 which by its terms provides that it shall not be amended, altered, or repealed by such  
149 committee. The designation and appointment of any such committee and the  
150 delegation thereto of authority shall not operate to relieve and Board of Directors, or any  
151 individual Director, of any responsibility imposed upon it by him or her by law.

152       **SECTION 2. Other Committees.** Other committees not having and exercising  
153 the authority of the Board of Directors in the management of the Association may be  
154 appointed in such manner as may be designated by a resolution adopted by a majority  
155 of the Directors present at a meeting at which a quorum is present. Except as  
156 otherwise provided in such resolution, members of each such committee shall be  
157 members of the Association, and the President of the Association shall appoint the  
158 members thereof. Any member thereof may be removed by the person or persons  
159 authorized to appoint such member whenever in their judgment the best interests of the  
160 Association shall be served by such removal.



161           **SECTION 3. Term of Office.** Each member of a committee shall continue as  
162 such until the next annual meeting of the members of the Association and until his or  
163 her successor is appointed, unless the committee shall sooner be terminated, or unless  
164 such member is removed from such committee, or unless such member ceases to  
165 qualify as a member thereof.

166           **SECTION 4. Chairman.** One member of each committee shall be appointed  
167 chairman by the person or persons authorized to appoint the members thereof.

168           **SECTION 5. Vacancies.** Vacancies in the membership of any committee may  
169 be filled by appointments made in the same manner as provided in the case of the  
170 original appointments.

171           **SECTION 6. Quorum.** Unless otherwise provided in the resolution of the Board  
172 of Directors designating a committee, a majority of the whole committee shall constitute  
173 a quorum and the act of a majority of the members present at a meeting at which a  
174 quorum is present shall be the act of the committee.

175           **SECTION 7. Rules.** Each committee may adopt rules for its own government  
176 not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

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## **ARTICLE V**

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### **CONTRACTS, CHECKS, DEPOSITS, AND FUNDS**

180           **SECTION 1. Contracts.** The Board of Directors may authorize any officer or  
181 officers, agent or agents of the corporation, in addition to the officers so authorized by  
182 these Bylaws, to enter into any contract or execute and deliver any instrument in the  
183 name of and on behalf of the Association, and such authority may be general or

184 confined to specific instances. All authorized contracts require a majority vote of a  
185 quorum Board and must be documented in the meeting/proceedings minutes.

186       **SECTION 2. Checks, Drafts, etc.** All checks, drafts or orders for the payment  
187 of money, notes or other evidences of indebtedness issues in the name of the  
188 Association, shall be signed by such officer or officers, agent, or agents of the  
189 Association and in such manner as shall from time to time be determined by resolution  
190 of the Board of Directors. In the absence of such determination by the Board of  
191 Directors, such instruments shall be signed by the Treasurer and countersigned by the  
192 President or Vice President of the Association.

193       **SECTION 3. Deposits.** All funds of the Association shall be deposited from time  
194 to time to the credit of the Association in such banks, trust companies or other  
195 depositories as the Board of Directors may select.

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## ARTICLE VI

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### BUDGET & DELINQUENT ACCOUNT

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#### SECTION I – Budget.

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201       A budget setting forth the “basic expenses” shall be prepared by the Board of  
202 Directors and distributed to members not less than thirty (30) days prior to the start of  
203 the calendar year. “Basic Expenses” shall mean the estimated aggregate amount of  
204 expenses, as set forth in the budget, to be incurred by the Association during the  
205 calendar year to operate, administer, manage, maintain, improve, the roadways, along  
206 with gates, fences, and culverts involving such roadways and any common areas and  
207 water wells so designated as an Association function and to provide for reserves to

208 ensure, when due, the cost of capital expenditures relating to any such purposes. The  
209 Board is limited to no more than a 20% increase to the regular assessment/fees from  
210 the previous year, when required. Should there be no increase in any given year, the  
211 Board is prohibited from carrying forward an increase not authorized - increases are not  
212 cumulative. In the event the Board of Directors at any time during the calendar year  
213 determines that the budget will be in excess of the amount needed to meet “basic  
214 expenses”, the Board of Directors shall prepare an estimate of such excess and shall  
215 apply same to reduce the amount assessed for the next succeeding calendar year.

216  
217 **SECTION II. LEINED PARCELS, DELINQUENT ACCOUNTS, AND OWNER**  
218 **STANDING.**

219 The Treasurer may from time to time have to lien a Parcel for non-  
220 payment of a regular or special assessment. Once a Lien is recorded against a parcel  
221 owner, that owner is considered to be **not in good standing** with the Association. A  
222 parcel owner **not in good standing** loses the right to take part in Association matters,  
223 such as, Board elections, running for the Board, participating in open meetings, etc.  
224 These privileges are restored only upon the payment of all arrear/delinquent  
225 assessments and the release of lien.

226 A delinquent account is a parcel that is not current with the Association  
227 annual assessed fee – past the payment due date. Delinquent accounts more than 30  
228 days passed due accrue interest charges until paid in full. Other fees and charges may  
229 apply for lien & foreclosure processing, attorney fees, and etc.

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**ARTICLE VII**

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**ANNUAL REPORT**

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The Board of Directors shall distribute to the Parcel Owners, within sixty (60) days after the calendar year end, an annual report consisting of a balance sheet, an operating statement, and such other documents as determined by the Board of Directors.

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**ARTICLE VIII**

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**RENTAL AND SALES**

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**SECTION I – Rentals**

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When a Parcel Owner rents his or her property, he or she shall provide the renter with a copy of the Association's Bylaws and the Declaration of Covenants, Conditions, and Restrictions (CC&Rs) and shall include in the rental agreement a provision that the renter shall abide by these documents. The Parcel Owner also shall supply a copy of the rental agreement to the Board of Directors.

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**SECTION II - Sales**

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When a lot is sold, the selling Parcel Owner, or his or her agent shall notify the SRRPOA at the address on record of such a sale. Additionally, the selling Parcel Owner, or his or her agent, shall supply the buyer with a copy of the Association's Bylaws, Articles of Incorporation, and of the Declaration of Covenants, Conditions, and

256 Restrictions (CC&Rs). The preceding also applies to any subdivision of a lot. In order  
257 to proceed with a subdivision the SRRPOA must be notified, at the corporate office  
258 address, of the subdivision. Any subdivision must be a minimum parcel size of ten (10)  
259 acres as stated in the CC&Rs.

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## **ARTICLE IX**

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### **CONSTRUCTION**

263 Nothing contained in these Bylaws shall in any way be construed as altering,  
264 amending, or modifying the Declaration of Covenants, Conditions, and Restrictions  
265 (CC&Rs) (or any Amendments thereto). Such Declaration and these Bylaws shall  
266 always be construed to further the harmonious, beneficial, cooperative, and proper use  
267 and conduct of the property. If there is any inconsistency or conflict between these  
268 Bylaws and such Declaration, it shall be resolved by the Board of Directors under the  
269 powers granted in the Articles of Incorporation and Declaration to manage all affairs of  
270 the Association. All terms and definitions used in these Bylaws which are also in the  
271 Declaration shall have the same meaning as provided for such terms and definitions  
272 stated therein. Specifically, the Declaration establishes covenants, conditions, and  
273 restrictions on properties within the Association's boundaries and the Bylaws govern  
274 how the Board of Directors shall manage the all affairs of the Association. The BoDs  
275 has the power, along with any owner, to enforce the CC&Rs – the BoD's serves to  
276 arbitrate and help resolve issues in breach of the CC&Rs.

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**ARTICLE X**

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**BOOK AND RECORDS**

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The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings for the Board of Directors and committees having any of the authority of the Board of Directors. All books and records of the Association may be inspected for any proper purpose at any reasonable time.

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**ARTICLE XI**

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**FISCAL YEAR**

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The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year.

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**ARTILCE XII**

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**SEAL**

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The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words "Corporation Seal."

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**ARTICLE XIII**

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**WAIVER OF NOTICE**

300 Whenever any notice is required to be given under the provisions of the Arizona  
301 Non-Profit Corporation Act or under the provisions of the Articles of Incorporation of the  
302 Bylaws of the Association, a waiver thereof in writing signed by the person or persons  
303 entitled to such notice, whether before or after the time stated therein, shall be deemed  
304 equivalent to the giving of such notice.

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## **ARTILCE XIV**

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### **AMDENDMENTS TO BYLAWS**

308 These Bylaws my altered, amended or repealed, and new bylaws may be  
309 adopted by a majority of the Directors present at any regular Board, annual Owner  
310 meeting or any special meeting, if at least two days' written notice is given of intention to  
311 alter, amend, or repeal or to adopt new Bylaws at such meeting.

312

313 **Date:** 6 March 2101


314 **Authorized By**

315

316 SRRPOA BoDs

317

318 **Approved for Implementation By**

319 

320 Joanne McClure

321 President

322 Board of Directors

*Shadow Rock Ranch Property Owners Association*  
*Yavapai County, State of Arizona*

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