

**BYLAWS
OF
PAINTED SKY RANCH PROPERTY OWNERS ASSOCIATION, INC.**

**PART 1
Name and Location**

- 1.1 Name. The name of the corporation is Painted Sky Ranch Property Owners Association, Inc., hereinafter referred to as the "Association".
- 1.2 Location. The principal office of the Association shall be located at 62257 Briarwood Drive Tucson, Arizona 85729, but meetings of members and directors may be held at such places within the State of Arizona, County of Pinal, as may be designated by the Board of Directors.

**PART 2
Definitions**

- 2.1 Association. Association shall mean and refer to Painted Sky Ranch Property Owners Association, Inc., its successors and assigns.
- 2.2 Property. Property shall mean and refer to that certain real property described in the Declaration and such additions thereto as may hereafter be brought within the jurisdiction of the Association.
- 2.3 Common Areas. Common Areas shall mean all real property owned by the Association for the common use and enjoyment of the Owners.
- 2.4 Lot. Lot shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property with the exception of the Common Areas.
- 2.5 Owner. Owner shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- 2.6 Declaration. Declaration shall mean and refer to the Declaration of Covenants, Conditions and Restrictions of Painted Sky Ranch Property Owners Association, Inc.,

as amended or restated from time to time, which is recorded in the Pinal County Recorder's office.

- .7 Member. Member shall mean and refer to those persons entitled to membership as provided in the Declaration.

PART 3 **Meeting of Members**

- 3.1 Annual Meetings. Annual meetings of the members shall be held in the month of February each year, on a date and time determined, in each case, by the Board of Directors. If the day for the annual meeting of the members is a Federal or State of Arizona legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.
- 3.2 Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors. Any member or group of members may request that a special meeting be called by the Board of Directors to consider issues of importance and urgency to such member or group of members. Upon written request of members who are entitled to vote at least forty percent (40%) of all of the votes of the Association, the Board of Directors shall call a special meeting.
- 3.3 Notice of Annual and Special Meetings. Written notice of each meeting of the members shall be given by the Secretary at the direction of the person or persons authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than thirty (30) days nor more than sixty (60) days before such meeting to each member entitled to vote at such meeting, addressed to the member's address last appearing on the books of the Association, 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, in the case of a special meeting, the purpose of the meeting.
- 3.4 Quorum. The existence of a quorum at any meeting of the members shall be determined by the provision for quorums in the Declaration.

PART 4
Board of Directors

- 4.1 Number. The affairs of this Association shall be managed by the Declarant until such time as the Declarant is no longer the owner, or gives up the right as defined in the Declarations. At that time an elected Board of three (3) to (5) Directors shall preside, who shall all be Resident Members of the Association.
- 4.2 Term of Office. Newly elected directors shall take office at the first regular or special meeting of the Board of Directors following the election. All directors shall hold office for a two-year term, with the respective terms to be staggered so that no more than two (2) Directors are to be elected in any one year in order to provide continuity and stability in the Association leadership.
- 4.3 Removal; Vacancy. Any directors may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.
- 4.4 Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.
- 4.5 Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.
- 4.6 Nomination. A committee shall be established by the Board of Directors to present nominations to the membership for persons to be elected to the Board of Directors of the Association and shall coordinate the election process. This committee shall consist of three members. One member of the committee shall be a member of the Board of Directors not running for re-election. The remaining members of the committee shall be members of the Association who are not members of the Board of Directors. This committee shall prepare and distribute to the

membership, prior to the election, the names of the nominees, together with a brief biographical sketch of each nominee. The nominations proposed by this committee shall not be exclusive, but write-in candidates in the case of a mail election shall be permitted.

- 4.7 Election. Members of the Board of Directors shall be elected annually by the membership by secret ballot held on the same day as the annual meeting, or, at the discretion of the Board of Directors, by mail ballot pursuant to procedures established by the Board of Directors. A majority of the votes cast shall determine the results of the election.

PART 5

Meetings of Directors

- 5.1 Regular Meetings. Regular meetings of the Board of Directors shall be held as established by the Board at such place and hour as may be fixed from time to time by resolution of the Board. Notice to owners of upcoming Board of Directors meeting may be posted conspicuously. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.
- 5.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than five (5) days notice to each director.
- 5.3 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.
- 5.4 Executive Session. All Board Meetings shall be open to members of the Association, except that the Board of Directors shall have the right to convene in executive session to consider (i) personnel matters, including but not limited to employment, termination of employment and salaries, (ii) legal matters, such as consultations with legal counsel with respect to pending, threatened or contemplated litigation, and (iii) such other matters of a confidential nature, where the Board determines that the interests of the Association are best served by discussions in executive session. The proceedings of executive sessions shall be confidential. All Board resolutions shall be adopted in open session.

PART 6
Power and Duties of the Board of Directors

- 6.1 **Powers.** The Board of Directors shall have power to:
- A. adopt and publish rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
 - B. exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- 5.2 **Limitations.** The foregoing notwithstanding, without prior approval by a majority vote of the members at an annual meeting or special meeting of the members, the Board of Directors shall not have the power to borrow money or to make and issue notes, bonds and other negotiable instruments, mortgages, deeds of trust .
- 5.3 **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 to ensure that their duties are properly performed;
 - C. to establish and enforce assessments as provided in the Declaration;
 - D. issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
 - E. procure and maintain adequate liability and hazard insurance on property owned by the Association;
 - F. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
 - G. cause the Common Areas to be maintained;
 - H. perform or cause to be performed all other obligations of the Association described in the Declaration.

PART 7
Officers and Their Duties

- 7.1 Enumeration of Offices. The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create. Officers shall at all times be members of the Board of Directors.
- 7.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.
- 7.3 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.
- 7.4 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.
- 7.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of 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.
- 7.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.
- 7.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.
- 7.8 Duties. The duties of the officers are as follows:
- A. President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out.

- B. Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- C. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; 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.
- D. Treasurer. The Treasurer shall monitor the receipt and management of all monies of the Association and shall monitor the disbursement of funds as directed by resolution of the Board of Directors; shall ensure the keeping of proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members. The annual financial report shall be made available to the members within (90) days after the close of the fiscal year.

PART 8

Committees

- 8.1 Committees. The Board of Directors shall appoint an Architectural Review Committee, as provided in the Declaration, and a Nominating and Election Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

PART 9

Books and Records

- 9.1 Books and Records. The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

PART 10
Corporate Seal

- 10.1 Corporate Seal. A corporate seal shall not be requisite to the validity of any instrument executed by or on behalf of the Association, but nevertheless, if, in any instance a corporate seal be used, the same shall be, at the pleasure of the officer affixing the same, either (i) a circle having on the circumference thereof "Painted Sky Ranch Property Owners Association, Inc, ARIZONA," and in the center "INCORPORATED", or (ii) a circle containing the words "CORPORATE SEAL", on the circumference thereof.

PART 11
Amendments

- 11.1 Passage of Amendments. These Bylaws may be amended, at a regular or special meeting of the members, if at least seventy-five percent (75%) of Members casting VALID ballots cast affirmative votes for adoption of the amended Bylaws.
- 11.2 Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

PART 12
Miscellaneous

- 12.1 Fiscal Year. The fiscal year of the Association shall begin on the first day of February and end on the 31st day of January of every year.

IN WITNESS WHEREOF, the undersigned, being the President and the Secretary of the Association, hereunto set their hands and seal as of the date first above written.

Larry Volle, President

Secretary

STATE OF ARIZONA)
) ss.
County of Pinal)

The foregoing instrument was acknowledged before me this _____ day of _____, 200__, by Larry Volle, who acknowledged himself to be the President of Painted Sky Ranch Property Owners Association, Inc. for and on behalf of the corporation.

Notary Public

My Commission Expires:

STATE OF ARIZONA)
) ss.
County of Pinal)

The foregoing instrument was acknowledged before me this _____ day of _____, 200__, by _____ who acknowledged himself to be the Secretary of Painted Sky Ranch Property Owners Association, Inc., for and on behalf of the corporation.

Notary Public

My Commission Expires:

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Painted Sky Ranch Property Owners Association, Inc., an Arizona non-profit corporation; and

That the foregoing Bylaws constitute the Bylaws of said Association, as duly adopted by the Members thereof, effective on _____.

Secretary