

BY-LAWS OF  
POWDER HORN RANCH, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is POWDER HORN RANCH, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at Tucson, Pima County, Arizona, but meetings of members and directors may be held at such places within the State of Arizona, County of Pima, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to POWDER HORN RANCH Homeowners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Private Open Space" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, with the exception of the Private Open Space.

Section 5. "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 Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Springline Homes, Inc., an Arizona corporation, and their successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the office of the Recorder of Pima County, Arizona, at page 314, in Book 6531.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

### ARTICLE III

#### MEETING OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the members shall be held on the first day of June of each year, at such time as may be specified in the notice of meeting. If the day of the annual meeting is a legal holiday, the meeting will be held on the first day following which is not a legal holiday at such time as may be specified in the notice of meeting.

Section 2. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting, to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 3. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies to cast, one-tenth (1/10) of the members who are entitled to vote shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in

writing and filed with the Secretary. Every proxy shall be revocable, and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS:

SELECTION:

TERM OF OFFICE:

Section 1. Number. The affairs of this Association shall be managed by not less than three (3) nor more than nine (9) directors, all but one, must be members of the Association.

Section 2. Term of Office. Subject to the provisions of Article VII of the Articles of Incorporation of the Association, at the first meeting whereupon the members can elect a Board, the members shall elect a Board of Directors to be divided into three (3) classes, as nearly equal in number as may be, the term of office of those of the first class to expire at the first annual meeting of Members after their election, the term of office of those of the second class to expire at the second annual meeting of Members after their election and the term of office of those of the third class to expire at the third annual meeting of Members after their election.

At each annual election of Directors held after the classification and election described in the preceding paragraph, Directors chosen to succeed those whose terms expire shall be elected for a term of office to expire at the third annual meeting of Members after their election.

Section 3. Removal. Any Director 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.

Section 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.

Section 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.

## ARTICLE V

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of three or more members of the Association. The Nominating Committee, and its Chairman, shall be appointed by the Board of Directors at least sixty (60) days prior to each annual meeting and the members of the Committee shall serve until the close of

the annual meeting next succeeding their appointment. The names of persons appointed to the Nominating Committee shall be made known to all members of the Association promptly following their appointment. The Nominating Committee shall make as many nominations for election to the Board of Directors as it may desire, but in no event less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE VI

### MEETINGS OF DIRECTORS

Section 1. Regular meetings of the Board of Directors shall be held without notice at such times and places as may be fixed from time to time by resolution of the Board.

Section 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 three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which

a quorum is present shall be regarded as the act of the Board.

Section 4. Action Taken Without a Meeting. 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.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) Adopt and publish rules and regulations governing the use of the Private Open Space, 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 By-Laws, the Articles of Incorporation, or the Declaration;
- (c) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings

- of the Board of Directors; and,
- (d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

- (a) Cause to be kept a complete record of all its acts and corporate affairs, and to present a statement thereof to the members at the annual meeting of the members, or at such special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;
- (b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
  - (1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
  - (2) Send written notice of each

assessment to every Owner  
subject thereto at least  
thirty (30) days in advance  
of each annual assessment  
period; and

(3) Foreclose the lien against  
any property for which  
assessments are not paid  
within thirty (30) days  
after due date, or to  
bring an action at law  
against the owner  
personally obligated to  
pay the same, or to take  
such other action as the  
Board may deem appropriate.

(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 Private Open Space, as described on recorded plat of subdivision, to be maintained;
- (h) Maintain all common areas, roads, entry way, and all commonly used equipment.

### ARTICLE VIII

#### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

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

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer

may be removed from office with or without cause by 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.

Section 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.

Section 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.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments, and shall co-sign all promissory notes.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence or inability to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the Minutes of all meetings and proceedings of the Board and of the members; 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.

Treasurer

(d) The Treasurer shall receive and deposit, or cause to be received and deposited, in appropriate bank accounts all monies of the Association, and shall disbursed, or cause to be disbursed, funds for proper and authorized corporate purposes; shall sign or cause to be signed all checks and promissory notes of the Association; keep or cause to be kept proper books of account; shall 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 a statement of income and expenditures and furnish a copy thereof to each member of the Association.

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint a nominating committee, and other committees as deemed appropriate in carrying out its purpose, as provided in these By-Laws.

ARTICLE X

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 By-Laws 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.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten (10) per cent per annum, or such higher rate of interest as the Association shall prescribe, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Private Open Space,

or abandonment of his Lot. In the event of multiple parties owning one lot, assessments shall be levied against that lot as if it had a single owner. Each lot shall be subject to one assessment, except that the Declarant shall be exempt from assessment for those lots owned by Declarant.

ARTICLE XII

CORPORATE SEALS

The Association shall have a seal as is shown at the right of this Article.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended at a regular or special meeting of the directors subject to repeal or change by a vote of two-thirds (2/3) of a quorum of members present in person or by proxy at a special meeting called for such purpose or at an annual meeting.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the POWDER HORN RANCH HOMEOWNERS ASSOCIATION, have hereunto set our hands this 27th day of July, 1982

Robert W Felix  
Monika Felix

STATE OF ARIZONA )  
COUNTY OF PIMA ) ss.

The foregoing instrument was acknowledged before me this 27th day of July, 1982, by Robert W. Felix and Monika Felix the Directors of POWDER HORN RANCH HOMEOWNERS ASSOCIATION.

My Commission Expires:  
March 31, 1986

Nadine M. Preciado  
Notary Public

AFFIDAVIT OF PUBLICATION

STATE OF ARIZONA)

: SS.

COUNTY OF PIMA )

Jack B. Jewett

being first

duly sworn, deposes and says that (he) (she) is the General Manager of THE DAILY REPORTER, a daily newspaper printed and published in the County of Pima, State of Arizona, and of general circulation in said County, State and elsewhere, and the hereto attached Articles of

Incorporation of Powder Horn Ranch, Inc.

was printed and published correctly in the regular and entire issue of said THE DAILY REPORTER for 3 issues; that the first was made on the 28 day of July 19 81

and the last publication thereof was made on the 30 day of July 19 81; that said publication

was made on each of the following dates, to-wit:

July 28, 29, 30, 1981

Request of Schwanbeck, Lane & Present, Attys.



By Jack B. Jewett

Subscribed and sworn to before me this 30 day of July 19 81

Bubba V. Field  
Notary Public in and for the County of Pima, State of Arizona

My Commission Expires: My Commission Expires Nov. 14, 1982

ARTICLES OF INCORPORATION OF POWDER HORN RANCH, INC. In compliance with the requirements of Arizona Revised Statutes, Sections 10-1001, et seq., as amended, the undersigned, voluntarily associated themselves together for the purpose of forming a private non-profit corporation and do hereby certify: ARTICLE I NAME The name of the corporation is POWDER HORN RANCH, INC., hereafter called the "Association". ARTICLE II PRINCIPAL PLACE OF BUSINESS The principal place of business of the Association is located in Pima County, Arizona. ARTICLE III STATUTORY AGENT Victor R. Schwanbeck, whose address is 5055 East Broadway, Suite C220, Tucson, Arizona, is hereby appointed the initial statutory agent of this Association. ARTICLE IV GENERAL NATURE OF BUSINESS This Association does not contemplate pecuniary gain or profit to the members thereof. The specific purposes for which it is formed are: 1. To promote the health, safety and welfare of the owners and residents within that certain property described in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property, and recorded in Book 6531, Page 314, in the office of the Pima County Recorder, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length; 2. For the above purposes to: (a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the aforesaid Declaration, as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length; (b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration;

MIKE BOYD, RECORDER  
PIMA COUNTY, ARIZONA  
CERTIFICATE OF RECORDING

01/29/91  
10:53:00

W  
DENNIS NELSON  
TUCSON ELECTRIC POWER  
220 W 6TH ST  
TUCSON AZ 85702

|                |    |            |    |      |
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DOCKET: 08965 PAGE: 1094

RECORDING TYPE: AMENDED BY LAW  
GRANTOR: POWDER HORN RANCH INC\*  
GRANTEE: BY LAWS

TOTAL 9.00

RBJ AMOUNT PAID \$ 9.00  
DEPUT RECORDER 2234 RD15 AMOUNT DUE \$ .00

MAIL

THE ABOVE SPACE FOR RECORDERS USE ONLY  
TO BE RECORDED AS PART OF DOCUMENT

DO NOT DETACH CERTIFICATE FROM DOCUMENT

8965 1094

NOTICE OF BYLAW AMENDMENT  
RELATING TO ASSESSMENTS

1. This Notice is provided with respect to the Declaration of Covenants, Conditions and Restrictions (the "CCR's") dated May 4, 1981 (as amended), recorded in Docket No. 6531 at pages 314-319 of the records of the Pima County Recorder's Office. Pursuant to the CCR's, Powder Horn Ranch, Inc., an Arizona corporation, a/k/a the Powder Horn Ranch Homeowner's Association (the "Association") is empowered to assess each lot within Powder Horn Ranch, Pima County, Arizona (as shown by map on file in Book 31 of Maps and Plats at Page 73) an annual assessment of up to \$300.00 per lot.

2. Article XI entitled "Assessments" of the original Bylaws of the Association dated as of July 27, 1982 provided that the lots owned by "the Declarant," (at that time being Springline Homes Incorporated, an Arizona corporation) would be exempt from assessment. The specific lots owned by the Declarant were Lots 4, 5, 10, 11, 43, 49, 50 and 57 (the "Declarant Lots").

3. Article XIII of the Bylaws provided that the Bylaws may be amended at a regular or special meeting of the directors by a vote of two-thirds (2/3) of a quorum of members present in person or by proxy.

4. At a Special Meeting of the directors of the Association held on June 3, 1988, the directors voted to amend the Bylaws to eliminate the provision in Article XI exempting the Declarant's lots from assessment (the "Bylaw Amendment").

5. As a result of the Bylaw Amendment, each of the Declarant's lots became, effective as of June 3, 1988, subject to assessment by the Association.

1-7-91  
Date  
James R. Knechel Pres.  
Signature

Subscribed and sworn to before me this 7<sup>th</sup> day of  
JANUARY, 1991 by James R. Knechel

Nov 7, 1991  
Exp. Date

[Signature]  
Notary Public

or abandonment of his Lot. In the event of multiple parties owning one lot, assessments shall be levied against that lot as if it had a single owner. Each lot shall be subject to one assessment.

ARTICLE XII

CORPORATE SEALS

The Association shall have a seal as is shown at the right of this Article.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended at a regular or special meeting of the directors subject to repeal or change by a vote of two-thirds (2/3) of a quorum of members present in person or by proxy at a special meeting called for such purpose or at an annual meeting.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of May and end on the 30th day of April of every year except that the first fiscal year shall begin on the date of incorporation.

**POWDER HORN RANCH HOMEOWNERS ASSOCIATION**  
8963 E. TANQUE VERDE RD. SUITE 127  
TUCSON, AZ 85749

NOTICE OF BY-LAW AMENDMENT

In accordance with Article XIII, Section 1, of the BY-LAWS OF POWDER HORN RANCH, INC., those BY-LAWS are hereby amended as follows;

Add to this Article the following:

ARTICLE II, DEFINITIONS

SECTION 9 "Member in good standing" shall mean and refer to those members whose assessments, interest, fees, penalties, or any other charges levied upon them by the Association, are fully paid in good funds.

Rewrite the following portion of these Articles to read:


ARTICLE III, MEETING OF MEMBERS

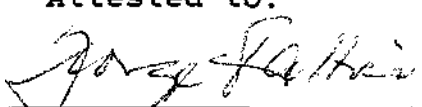
SECTION 5 Voting entitlement. At all meetings of members, each member in good standing may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable, and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV, BOARD OF DIRECTORS:

SECTION 2. Number. The affairs of this Association shall be managed by not less than three (3) nor more than nine (9) directors, all of whom, if members, must be members in good standing of the Association. Only one director may be a nonmember of the Association.

This amendment was approved in accordance with Article VI, Section 3, of the BY-LAWS OF POWDER HORN RANCH, INC. in a duly constituted regular meeting of the Board of Directors held on December 7, 1993.

  
\_\_\_\_\_  
President

Attested to:  
  
\_\_\_\_\_  
Secretary

**POWDER HORN RANCH HOMEOWNERS ASSOCIATION**  
**8963 E. TANQUE VERDE RD. SUITE 127**  
**TUCSON, AZ 85749**

NOTICE OF BY-LAW AMENDMENT

In accordance with Article XIII, Section 1, of the BY-LAWS OF POWDER HORN RANCH, INC., those BY-LAWS are hereby amended as follows;

Rewrite the following portion of these Articles to read:

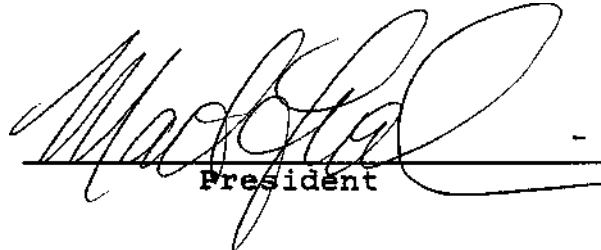
ARTICLE III, MEETING OF THE MEMBERS

Section I. Annual Meetings. The annual meeting of the members shall be held during the month of June of each year, at such time as may be specified in the notice of meeting.

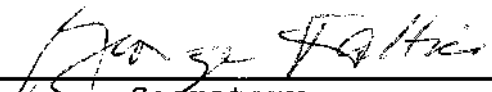
ARTICLE XIV, MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of June and end on the 31st day of May of every year.

This amendment was approved in accordance with Article VI, Section 3, of the BY-LAWS OF POWDER HORN RANCH, INC. in a duly constituted regular meeting of the Board of Directors held on December 7, 1993.

  
\_\_\_\_\_  
President

Attested to:

  
\_\_\_\_\_  
Secretary