

BEAVER CREEK VILLAGE PROPERTY OWNERS ASSOCIATION

BY-LAWS – AS ADOPTED March 29, 2009

PREAMBLE The BEAVER CREEK VILLAGE PROPERTY OWNERS ASSOCIATION, a non-profit corporation under the laws of the State of Arizona, is organized to serve as a managing body for its Association membership, for the protection, improvement, alteration, maintenance, repair, replacement, administration and operation of common infrastructure, utilities and roadways in the residential community of Beaver Creek Village located between the subdivision of Beaver Creek Estates and the confluence of Wet Beaver and Dry Beaver creeks as further defined by parcel numbers in Appendix I of these bylaws, in Yavapai County, Arizona, and for the assessment of expenses, for the payment of goods and services, for the payment of losses, for the disposition of casualty insurance proceeds and for other matters as provided in these By-Laws of the Corporation.

ARTICLE I LOCATION

The principal office of the corporation, at which the general business of the corporation will be transacted and where the records of the corporation will be kept, will be at such place in the Beaver Creek Village area of Yavapai County in the State of Arizona, as may be fixed from time to time by the Board of Directors.

ARTICLE II STRUCTURE

Members shall have the right of control over the corporation. A Board of Directors elected by the members shall manage the affairs of the corporation. A President, Vice-President, Secretary, and Treasurer shall be elected by the Board of Directors, who shall have such authority and perform such duties as provided by these Bylaws and resolutions of the Board of Directors. The Directors may also establish committees and appoint committee members.

ARTICLE III LIABILITY LIMITATIONS

The directors, officers and members of the Corporation shall not be individually liable for the Corporation's debts or other liabilities. The private property of such individuals shall be exempt from any corporate debts or liabilities. To the fullest extent permitted by Arizona law and in accordance with and within the limits of Section 10-2342 of the Arizona Revised Statutes, no director or person who serves on a board or committee of the Corporation in a voluntary capacity shall be liable to the Corporation or its members for monetary damages for breach of fiduciary duty as a director or as a member of a board or committee in an advisory capacity. To the fullest extent permitted by Arizona law and in accordance with Section 10-2317(D) of the Arizona Revised Statutes, any director or person who serves on a board or committee of the Corporation in an advisory capacity shall be immune from civil liability and shall not be subject to suit directly or by way of contribution for any action or omission resulting in damage or injury if the person was acting in good faith and in furtherance of the purpose or purposes for which the Corporation is organized, unless the damage or injury was caused by willful and wanton or grossly negligent conduct of the person. If the Arizona Revised Statutes are hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Arizona Revised Statutes, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE IV MEMBERSHIP

Other than its Members, the corporation shall have no shareholders and no capital stock shall be authorized or issued. Membership in the Association is voluntary.

1. Qualifications – The Members of the corporation shall be any Owners of real property, who is at least eighteen years of age, whether an individual, business entity or trust, located in the Beaver Creek Village area of Lower McGuireville bordered by McGuireville at Beaver Creek Road to the North, Montezuma's Castle National Monument to the South, I-17 to the West and Brockett Ranch Road to the East. The Corporation shall not be a member of itself, or be entitled to cast any votes on account of its ownership of a parcel of Property, if any.

2. Definitions - The term as used in these By-Laws shall have the meaning stated: "Owner shall be the taxable property interest holder of record as evidenced by a deed or contract of sale, the term including both individual and multiple persons ownerships.; "property" and "properties" shall pertain only to parcels and shall include both improved and unimproved land.

3. Terms of Membership - Membership shall be appurtenant (a legal right or privilege attached to a property or parcel and inherited with it) to and may not be separated from ownership of the portion of the property or parcel giving rise thereto. The owner of multiple properties shall not be required to obtain or renew more than one membership during any membership year. The Owner of multiple properties may, however, acquire separate memberships for up to the total number of properties / parcels owned by paying dues for each separate membership.

a. Transfer of Membership - When any owner who is a member ceases, for any reason, to be an Owner, his Membership shall automatically terminate, and the new Owner shall automatically succeed to such Membership in the Association. A Membership in the corporation shall not be transferred, pledged, or alienated in any way, except that if a Member who is an Owner transfers the Property to which such Membership appertains to a new Owner or by interest succession, testamentary disposition, foreclosure of a mortgage or deed of trust of record, or other legal process transferring ownership of such Property, such membership shall be transferred to the person to whom such ownership is transferred to and such Owner(s) shall also be a Member. A Lessee's or Tenant's membership shall terminate simultaneous to the termination of his tenancy.

b. Membership Proxy - Notwithstanding the foregoing, in the event that any Member which is an Owner has granted an irrevocable proxy or otherwise pledged or alienated his voting rights to a Mortgagee (including a Trustee and/or a Beneficiary under a Deed of Trust) as additional security, only the vote(s) of such Mortgagee shall be recognized in regard to matters subject to such proxy if a copy of such proxy or other instrument has been filed with the Board of Directors. In the event more than one such instrument has been filed, the Board of Directors shall recognize the rights of the first Mortgagee to suffice, regardless of the priority of the Mortgages themselves. Any attempt to make a prohibited transfer of a Membership is void and will not be recognized by or reflected upon the books and records of the corporation.

c. Right to Record - In the event the Owner of any parcel or property should fail or refuse to transfer the Membership registered in his name to the purchaser of such Parcel, the corporation shall have the right to record a transfer upon the books of the corporation and issue a new Membership to the purchaser, and thereupon the old Membership outstanding in the name of the seller shall be null and void as though the same had been surrendered.

4. Voting Rights - The Corporation shall have one class of Voting Membership. Each Owner shall be entitled to one (1) vote for each property owned and recorded as a separate parcel within Yavapai County. In the event the Owner of the parcel is a corporation, trust or joint owner of multiple persons, the voting Member constitutes one (1) vote per parcel. Only one person in a multiple person membership may cast the vote of that membership. Owners of multiple properties who have obtained additional separate memberships shall have one (1) vote for each separate membership held at the time of the vote. Tenants and lessees may be Non-Voting Members of the Association.

5. Dues – In the first year, membership dues shall be \$100.00. Thereafter, annual membership dues shall be paid by June of each year to cover maintenance and liability insurance expenditures. Dues shall be reviewed annually by the board of directors and changes approved by a vote of the membership at the annual meeting. Membership dues shall be nonrefundable and nontransferable by the Association.

6. Assessment and Maintenance Fees – Voluntary assessments and maintenance fees for capital expenditures, road improvement or maintenance projects, or legal expenses not covered by membership dues may be solicited from the membership from time to time. A cash amount or value not less than \$100.00 may be pledged. Funds are to be used as collateral or payment of improvements, related materials, goods and/or services. The provision of materials, labor, goods and services resulting in a reduction of project costs may be pledged in lieu of cash funds.

7. Regular Meetings – Regular meetings of the membership will be held on a quarterly basis in February, May, August and November of each year and at a place determined by the Board of Directors.

a. Purpose – The Board of Directors will plan and conduct the meetings to provide a forum for discussion on infrastructure, ingress, egress, utility and property issues; develop and monitor construction and maintenance plans; review and comment on proposed and current legal and liability issues; organize community improvement projects and activities, and disseminate information on Member matters of concern.

b. Meeting Notice – Notices of quarterly meetings will be publicized through email and U.S. Postal mail to its membership.

8. Annual Meeting – The regular meeting in May shall be known as the annual meeting and shall be for the purpose of electing Board members and receiving reports of officers and committees. A financial accounting for the previous year shall be distributed to the members at each annual meeting prior to voting for directors.

a. Meeting Notice - The Secretary shall deliver or mail to each member, at the address in available membership records, a notice of the meeting place, date, time, and purpose, not less than ten nor more than thirty days before the meeting date.

b. Quorum - Members present comprising twenty percent or more of the total membership shall constitute a quorum at the properly noticed annual meeting.

c. Voting – Each member shall have one vote per parcel for each director being elected to office and on any issue the membership votes upon. A member may vote in person or by written proxy.

9. Special Meetings - Special meetings of members shall be held as called by the Board of Directors, President, or by twenty percent of the members.

ARTICLE V BOARD OF DIRECTORS

1. Number and Qualification - The business, property and affairs of the Association shall be managed, controlled and conducted by a Board of Directors. The Board of Directors shall consist of not less than three (3) and not more than nine (9) members. The initial Board shall consist of one (1) member. The number of Directors may be altered from time to time by resolution of a majority vote of the Board of Directors, but only within the limits prescribed by the Articles. In the event of any increase in the number of Directors in advance of the annual meeting, each additional Director shall be elected by the then members of the Board of Directors and shall hold office until his successor is elected and shall qualify. No two Board members shall be members of the same household.

2. Compensation - No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him or her for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. Directors and officers, however, may be reimbursed for any actual expenses incurred in connection with their duties as such officers or directors.

3. Election & Term - Directors shall be elected at the annual meeting of members. Any director who is absent from three successive meetings of the Board of Directors may be removed by majority vote of the Board of Directors.

4. Vacancies - Any vacancy occurring in the Board of Directors shall be filled by majority vote of the remaining directors. Any director so chosen shall hold office until the next election of directors when a successor is elected.

5. Meetings - The Board of Directors shall meet immediately following the annual meeting of members to elect officers and handle other organizational matters. The Board of Directors may designate regular meeting times for board meetings, which shall not require notice. Special meetings of the Board of Directors may be called by the President or by written request of three or more directors.

a. Action Without 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.

6. Quorum - A majority of the directors shall constitute a quorum at a meeting of the Board of Directors.

7. Voting - Each director shall have one vote on all decisions voted upon by the Board of Directors.

ARTICLE VI OFFICERS

1. Election & Term - The principle officers of the Association shall be a President, one or more Vice-Presidents, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Directors may appoint an Assistant Secretary and an Assistant Treasurer, and such other officers as in the judgment may be necessary. Any person holding the office of President must be a Director. Any one person may hold two or more offices at the same time, except that no one person shall simultaneously hold the offices of President and Secretary.

2. Election of Officers - The officers of the Association shall be elected from time to time by the Board of Directors.

a. President – The president shall preside at meetings of the members; shall function as the chief executive officer of the corporation; and shall perform such other duties as are incident to the office of the president, as properly required or restricted by the Board of Directors.

b. Vice-President – The vice-president shall perform the duties of president upon the president's death, absence, resignation or inability to perform the duties of the office of president.

c. Secretary – The secretary shall be responsible for giving meeting notices, maintaining minutes, and performing such other duties as are incident to the office of secretary, as properly required or restricted by the Board of Directors. The secretary shall sign and affix the corporate seal to corporate legal documents unless otherwise directed by the Board of Directors, and shall be the custodian of the corporate books and records required by Arizona Revised Statutes.

d. Treasurer - The treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

3. Removal of Officers - Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his or her successor elected.

4. Resignation of Officers – Any officer may resign at any time by 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.

5. Vacancies – A vacancy in any office may be filled by vote of majority of the board of Directors. The officer elected to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

ARTICLE VII COMMITTEES

The Board of Directors shall appoint a Committee from time to time as needed for special projects or reporting made up of at least one member.

1. Finance – The Board of Directors shall appoint a Finance Committee of not less than two members, including the Treasurer. This Committee shall develop a budget, review assessments and assist in raising funds to carry out the purposes of the corporation. A report of the Association's books and records will be presented at the annual meeting of members. The Board of Director may also employ an accounting professional to check the accounting system and audit the books and records, with any audit report to be presented to the membership.

2. Other -- The Board may from time to time establish and appoint members to such other committees as will in the judgment of the Board of Directors be helpful in carrying out the purposes and activities of the corporation.

ARTICLE VIII BOOKS & RECORDS

The directors and officers shall comply with Arizona Revised Statutes, which requires that each nonprofit corporation keep correct and complete books and records of account, minutes of the proceedings of its members and Board of Directors, and a record of the names and addresses of its members entitled to vote. The Board, at all times, shall keep, or cause to be kept by the Treasurer, true and correct records of accounts in accordance with generally accepted accounting principles, and shall have available for the inspection of all Members at reasonable time, such books which shall specify in reasonable detail all expenses incurred and funds accumulated from assessments, pledges or otherwise. Each member entitled to vote is entitled to inspect and copy books and records as provided by Arizona Revised Statutes.

ARTICLE IX MISCELLANEOUS.

1. Fiscal Year – For accounting and report purposes, the corporation's fiscal year shall be determined by the Board of Directors.

2. Assessments and Maintenance Fee Reporting - A full accounting of all expenditures against voluntary assessments and maintenance fees will be made on a quarterly basis to the membership or upon demand and presented at the regular and annual meetings of the membership.

3. Expenditure/Debt Limitation – No officer, director, committee member, or member shall obtain goods or services or incur any indebtedness in behalf of the corporation without express authorization by vote of the Board of Directors. No person shall expend any funds of the corporation or incur any indebtedness without general authorization by vote of the Board of Directors, EXCEPT THAT the treasurer may expend up to \$250 per transaction without the vote of the Board.

4. Expense Reimbursement – Directors, officers, committee members or members of the corporation may be reimbursed for actual expenses incurred in behalf of the corporation and may be paid for goods or services only as authorized by the Board of Directors.

5. Legal Counsel – The hiring of any attorney or law firm, for any purpose shall required advance approval of the Board of Directors.

6. Indemnification – The Corporation shall indemnify any person who incurs expenses or liabilities by reason of the fact he or she is or was an officer, director, member, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, member, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by law.

ARTICLE X AMENDMENT

The power to alter, amend or repeal the Bylaws of this corporation or adopt new bylaws is vested in the Board of Directors of this corporation, EXCEPT THAT the members of this corporation by a vote of two-thirds or more, may amend or repeal the Bylaws of this corporation or adopt new Bylaws, and any member Bylaws amendment, repeal, or adoption action shall not be changed by action of the Board of Directors.

IN WITNESS WHEREOF, we, being all of the Directors of BEAVER CREEK VILLAGE
PROPERTY OWNERS ASSOCIATION, have hereunto set our hands as of the 29
day of March, 2009

/S/

ELLEN DAL CERRO
INITIAL DIRECTOR – PRESIDENT

/S/

BILL ERWIN
VICE-PRESIDENT

/S/

KALA PEARSON
SECRETARY

/S/

TOM SHOEMAKE
INTERIM TREASURER

/S/

MATT RAVETTO
DIRECTOR

/S/

TODD SHREVE
DIRECTOR

/S/

KAREN DAL CERRO
DIRECTOR