

The bylaws posted here do not include the 2009 changes. When a few questions have been answered and confirmed by the board they will be posted. Until then these should work for most informational purposes.

BYLAWS
OF
LAZY Y U RANCH PHASE II PROPERTY OWNERS' ASSOCIATION
AMENDED AND APPROVED FEBRUARY 7, 2004
RESOLUTIONS VOTED 2007 & 2008

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1. NAME AND LOCATION

The name of the corporation is LAZY Y U RANCH PHASE II PROPERTY OWNERS' ASSOCIATION, hereinafter referred to as the "Association". The address of the corporation shall be 55 Lazy YU Drive Kingman, Arizona 86401, but meetings of Owners and directors may be held at such places within the State of Arizona as may be designated by the board of directors.

2. DEFINITIONS

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in that certain Declaration of Covenants, Conditions and Restrictions of Lazy Y U Ranch Phase II, herein referred to as the "Declaration", which is of record in the Official Records of the Mohave County Recorder, Arizona, as Fee Number 93-29614, Book 2226, Page 953, as the same may be supplemented or amended from time to time, or in the Articles of Incorporation of Lazy Y U Ranch Phase II Property Owners' Association, Inc.

3. MEETING OF OWNERS

3.1. Annual Meetings: Annual meetings of the Owners shall be held on the first Saturday in February following the corporate year end, at the hour of 10:00 a.m. If the day for the annual meeting of the Owners is a 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 Owners may be called at any time by the President of the Association or by the Board, or upon written request of the Owners who are entitled to vote seventy-five percent (75%) of all ownership interests.

3.3. Notice of Meetings: Written notice of each meeting of the Owners shall be given by, or at the direction of, the Secretary/Treasurer or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least thirty (30) days before such meeting to each Owner entitled to vote thereat, addressed to the Owner's address last appearing on the books of the Association, supplied by such Owner 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 presence at the meeting of Owners or of proxies entitled to cast fifteen percent (15%) of the votes of the Owners shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws. 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.

3.5. Proxies: At all meetings of Owners, each Owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary/Treasurer. Every proxy shall be revocable and shall automatically cease upon conveyance by the Owner of his/her Parcel. Proxy votes shall be postmarked no later than seven (7) days prior to date of meeting.

4. BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1. Number: The affairs of this Association shall be managed by a Board of five (5) directors, who must be Owners of the Association and in good standing.

4.2. Term of Office: At the first annual meeting, the Owners shall elect five (5) directors who shall each have a term of one (1) year; and at each annual meeting thereafter the Owners shall elect five (5) directors who shall each have a term of one (1) year. Nothing shall prohibit any director(s) from being elected to successive terms.

4.3. Removal: Any director may be removed from the Board, with cause, by a majority vote of the Owners. In the event of the death, resignation or removal of a director, his/her successor shall be selected by the remaining directors of the Board and shall serve for the unexpired term of his predecessor. The successor shall assume the vacated position selected by the remaining Board members.

4.4. Compensation: No director shall receive compensation for any service he/she may render to the Association. However, any director may be reimbursed for his/her 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. Every Director of the corporation shall be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon such Director in conjunction with any proceeding to which that Director may have been made a party or in which that officer may become involved by reason of being or having been a Director of the corporation, or any settlement thereof, whether or not the individual is still a Director at the time such expenses are incurred, except in such cases wherein the Director is adjudged guilty of willful misfeasance or malfeasance in the performance of such Director's duties or shall have acted in such a manner as has exceeded such Director's authority to act. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director may be entitled.

5. NOMINATION AND ELECTION OF DIRECTORS

5.1. Nomination: All nominations for Directors shall be received forty-five (45) days prior to annual meeting and mailed to: Lazy Y U Ranch Property Owners Association, Inc.

55 Lazy YU Drive
Kingman, AZ 86401

5.2. Election: Election to the Board shall be by secret written ballot, one (1) vote per acre owned. At such election, the Owners 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 acre votes shall be elected. Ballot count shall be conducted by at least two (2) directors following the annual meeting.

6. MEETINGS OF DIRECTORS

6.1. Regular Meetings: Regular meetings of the Board shall be held quarterly without notice at such place and hour as may be fixed from time to time by resolution of the Board. 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.

6.2. Special Meetings: Special meetings of the Board shall be held when called by the President of the Association or by any two (2) directors after not less than five (5) days' notice to each director.

6.3. 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.

7. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1. Duties: It shall be the duty of the Board to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Owners at the annual meeting of the Owners or at any special meeting at which such statement is requested in writing by Owners who are entitled to vote seventy-five percent (75%) of the votes of ownership interest;

(b) supervise all officers, agents and employees of the Association and see that their duties are properly performed;

(c) as more fully provided in the Declaration:

1) fix the amount of the annual assessment against each Parcel on January 1st of each given year.

2) send written notice of each assessment to every Owner subject thereto on or before January 1st of each year; and

3) foreclose the lien against any Parcel for which assessments are not paid within thirty (30) days after the due date or bring an action at law against the Owner personally obligated to pay the same.

(d) procure and maintain adequate liability insurance for the directors and officers;

(e) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(f) cause the Common Area to be maintained (if such Common Area should exist); and

(g) co-sign checks. Three (3) officers shall be authorized to sign checks; all checks require the signature of two (2) officers.

7.2. Powers: The Board shall have power to:

(a) adopt and publish rules and regulations (the "Rules and Regulations") governing the use of the Common Area (if such Common Area should exist) and the personal conduct of the Owners and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and the right to the use of the recreational facilities (if such recreational facilities should ever exist) of an Owner during any period in which such Owner shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published Rules and Regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles, or the Declaration; and

(d) declare the office of a member of the Board to be vacant in the event such member shall be absent without good cause and timely notice of excused absence from two (2) consecutive regular meetings of the Board.

8. OFFICERS AND THEIR DUTIES

8.1. Enumeration of Offices: The officers of this Association shall be a President, Vice-President, and a

Secretary/Treasurer who shall at all times be members of the Board, and such other officers as the Board may from time to time by resolution create.

8.2. Appointment of Officers: The appointment of officers shall take place at the first meeting of the Board following each annual meeting of the Owners. Those persons elected as directors shall serve as the officers. The director receiving the highest number of votes shall have first choice as to what office he/she desires to hold; the director receiving the second highest number of votes shall have second choice as to which office he/she desires to hold; the third director shall hold the remaining office, the other two elected shall serve as directors at large.

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

8.4. Committee Members: The Board may appoint such other members as the affairs of the Association may require, each of whom shall serve for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.5. Resignation and Removal: Any director may be removed from office with in the following manner:

a. A written notice from the Director asking to resign from the Board of Directors of the Property Owners Association
b. A petition requiring the removal of the Director signed by not less than fifty (50) percent of the voting Directors shall be filed with one of the Directors and shall specifically set forth the reason the subject therefore is to be removed from further service.

1. Not less than ten (10) days nor more than twenty (20) days after the petition is filed, a special meeting of the voting members of the Board of Directors shall be held, and the sole business of the meeting shall be to consider the charges against the Director who is the subject of the petition and to render a decision on such petition.

2. Previous notice by mail of the special meeting shall be given to all voting members of the Board of Directors at least ten (10) days prior to the meeting and shall be conducted by the Chairperson unless the Chairperson's continued service in office is being considered at the meeting. In such case, the Director's will appoint one of the Directors to conduct the meeting. Provided a quorum is present, a two-thirds (2/3) vote of the Directors present and voting by written ballot shall be required for removal from the office.

In the event an officer is removed or resigns, the remaining directors of the Board shall elect a new director in accordance with section 4.3.

8.6. Vacancies: A vacancy in any office shall be filled by appointment by the Board. The director appointed to such vacancy shall serve for the unexpired term of his/her predecessor.

8.7. 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.

8.8. Duties: The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Board; 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. In the Presidents absence the Vice President shall co-sign all necessary documents.

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

(c) Secretary/Treasurer. The Secretary/Treasurer shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Owners; shall keep the corporate seal of the Association (if one has been adopted) and affix it on all papers requiring said seal; shall serve notice of meetings of the Owners; shall keep appropriate current records showing the Owners of the Association together with their addresses; and shall perform such other duties as required by the Board. The Secretary/Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association; shall prepare disbursements of such funds as directed by resolution of the Board; shall co-sign all promissory notes; shall keep proper books of account; shall cause an un-audited annual financial statement of the Association books to be made by a public accountant at the completion of each fiscal year; shall cause an annual internal review of the Association books to be made by the Association's two (2) Directors at large 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 ownership at its regular annual meeting and mail a copy of each to the Owners with the annual meeting notice.

(d) Association Manager. If the Board chooses, by resolution, to elect or appoint a Manager for the Association, such Manager shall be referred to as the Association Manager. The Association Manager may be a natural person or a duly organized legal entity, including without limitation a corporation or limited liability company. The Association Manager (or, if other than a natural person, the Association Manager's duly authorized representative) shall have authority to sign checks of a routine nature for expense classifications previously approved by the Board and checks of Two Hundred Dollars (\$200.00) or less for emergency matters. Checks in excess of Two Hundred Dollars (\$200.00) and checks issued to pay non-routine expenses shall be signed by one (1) or more members of the Board of Directors, as authorized and approved.

9. COMMITTEES

The Board shall appoint committees as deemed appropriate in carrying out its purpose.

10. 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 Owner. The Declaration, the Articles and the Bylaws shall be available for inspection by any Owner at the principal office of the Association, where copies may be purchased at reasonable cost.

11. ASSESSMENTS

As more fully provided in the Declaration, each Owner is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Parcel 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 eighteen percent (18%) per annum, and the Association may bring an action of law against the Owner personally obligated to pay the same, foreclose the lien against the Owner personally obligated to pay the same, or foreclose the lien against the Parcel, and interest, costs, and reasonable attorneys' 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 nonuse of the Common Area (if such Common Area exists) or abandonment of his Parcel. Notwithstanding anything to the contrary herein, an Owner's voting rights shall be suspended during such time as annual or special assessments are delinquent or if such Owner is in breach of these Bylaws or the Declaration.

12. 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 (a) a circle having on the circumference thereof "LAZY Y U RANCH PHASE II PROPERTY OWNERS' ASSOCIATION, Arizona," and in the center "INCORPORATED, 1993", or (b) a circle containing the words "CORPORATE SEAL", on the circumference thereof.

13. AMENDMENTS

13.1. Passage of Amendments: These Bylaws may be amended at a regular or special meeting of the Owners by a vote of a majority of a quorum of Owners present in person or by proxy.

13.2. Conflict: In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

14. 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.

15. AMENDMENTS TO BYLAWS

Amendments to Bylaws are listed after the signature page of this document.

Amendments to Bylaws are listed by year, category, and number.

Categories include: Architectural Control (AC), Policy (P) and Roads (R)

7 pages of amendments are included in this document effective July 15, 2008:

Architectural Control 2006-AC-1 to 2006-AC-3;

2007-AC-4 to 2007 AC-5

Policy 2006-P-1 to 2006-P-11 (No 2006-P-5)

2007-P-12 to 2007 -P-17

2006-P-18 (Revised)

Roads 2006-R-1 to 2006 R-3

Section 15: Architectural Control Amendments made to Bylaws

The following amendments have been voted by the members of the Association as changes to the Lazy YU Ranch Phase II Property Owners Association Inc. Bylaws dated February 7, 2004. These amendments are effective immediately and binding on all members of the Association. The entire resolutions can be found in the Corporate Record book.

Architectural Control Resolutions:

AC-1 Notification of CC&R Violations:

1. Upon receipt of a signed complaint or personally delivered complaint to the board:

a. The board will determine if a violation exists based on the CC&R's and any/all policies, procedures and resolutions

passed by the Board of Directors

b. If a violation exists, a letter will be sent to the property owner, identifying the violation and asking for voluntary compliance with CC&R's.

c. If individual is unable to rectify the situation within the time allowed under the CC&R's he/she may submit a corrective plan, proposing a remedy to the condition complained of within 15 days from notice by the Board. The board may approve, disapprove or ask for modifications in said corrective plans

d. If voluntary compliance or a corrective plan is not completed within 15 days of notice from the board, the property owner shall be sent via registered mail notice that:

1. The property owner(s) are declared member(s) NOT IN GOOD STANDING, and his/her membership rights shall be suspended until compliance is completed.

2. Memberships rights include but are not limited to:

a. Notice of Association meetings (10-3705)

b. Participation in Association meetings

c. Voting rights on matters of the association (10-3707)

d. Architectural Approval for proposed property improvements.

AC-2 Requests for new approvals or changes in approved plans, for property owners with existing CC&R violations:

The Lazy YU Ranch Phase II Board of Directors will not approve any requests for new approvals or changes in approved plans until all existing CC&R violations are corrected to the satisfaction of the Board of Directors.

AC- 3 Confidentiality of house plans submitted for approval by the Architectural Control Committee:

The Lazy YU Ranch Phase II Architectural Control Committee or Board of Directors will maintain house plans submitted to them for approval as confidential documents, and will not release, allow others to view or share building plans without the written consent of the property owner who has submitted the plans to the Architectural Control Committee for approval.

AC-4 Submitting plans for Architectural Control Approval:

1. All plans shall be submitted by mail or in person to the Architectural Control Committee for review during a regularly scheduled board meeting. It is the property owner's responsibility to contact the Board to determine that date and place a request for AC approval on the Agenda by calling any current member of the Board.

2. All plans shall be considered "submitted for review" on the day they are accepted as "complete" and approved for consideration by the Architectural Control Committee.

(ie: the date the complete package is on the Agenda to be presented to the full Board for review at a scheduled meeting)

3. Plans shall not be considered "complete" or "accepted for approval" unless they include the following:

a. A plot plan (no larger than can be easily folded and filed in standard file folders) showing the location of the proposed building and all other buildings on the property, in relation to all required road and property line setbacks.

b. The location of (or proposed location of) driveways, easements, wells and septic systems.

c. A Building plan that includes: Exterior elevations (all) indicating building dimensions and livable square footage, Pictures, photographs or other indications of actual materials and the colors of said materials to be used on the roof and/or exterior of the proposed project, and any other drawings, materials, information or samples requested by the ACC.

AC-5 Definitions used for Architectural Control approvals or enforcement:

In the event that our governing documents do not clearly define a term, Mohave County, State, Federal definitions, Black's Law Dictionary or the commonly used definitions of a term from Webster's dictionary or other recognized dictionary, will be used by the Board.

AC-6 2008- Fencing

1. Plans for fencing and driveway gates along road, utility and other easements MUST be submitted to the Architectural Control Committee prior to their installation.

2. CC&R Section 6M and Section 6D provide for setbacks for "fences and walls". Fences and walls (including retaining walls) may be erected up to the property line where there are no roads or other easements at that property line.

3. Where there is a road easement, the setback shall be no less than five (5) feet from the edge of the road easement with the property owner being responsible for surveying said easement if the location of the fencing is questionable.

4. In no case may fences be erected on roads or along easements in a manner that will impede legal vehicular or other ingress or egress from any direction, and,

5. In no case may fences or gates be erected on roads or along easements in a manner that will present a safety hazard by limiting sight, safe vehicular passage or other safety hazard on the road.

6. Walls, fences, gates erected in violation of this resolution are subject to removal order and/or Architectural Control Fines as set out in other resolutions.

2008-AC- 7-Steel Arch Buildings (also known as Quanset Huts).

Steel Arch Type Building (shown below) also known as Quanset Huts are not appropriate under the Lazy YU Ranch Phase II CC&R's, and should not be approved by the Architectural Control Committee, even if painted and maintained with a non-reflective color.

Association Policy Amendments made to Bylaws

P-1 Actions taken with regard to unsigned statements, complaints and/or allegations of wrongdoing:

1. The Lazy YU Ranch Phase II Board of Directors will not address unsigned statements, complaints and/or allegations of wrongdoing against a property owner, individual board member, past board member, current board or the Association as a whole.
2. The Lazy YU Ranch Phase II Board of Directors will make every effort to address signed complaints and/or allegations of wrongdoing against a property owner, individual board member, past board member, current board or the Association as a whole in a manner that is consistent with existing Corporate and Non-Profit statutes, our Governing Documents and legal counsel when appropriate.

P-2 Insurance Premium Payments:

All premiums for Lazy YU Ranch Phase II Property Owners Association General Liability and Lazy YU Ranch Phase II Property Owners Association Board of Directors Error & Omission policies are to be paid in full at the time of renewal.

P-3 Election Procedures:

1. Lazy YU Ranch Phase II Property owner votes will adhere to the procedures outlined in the Bylaws of Lazy YU Ranch Phase II Property Owners Association.
2. All voting will be in written form, identifying voter, parcel owned, acres owned and if in good standing with the association
 - e. assessments paid in full
 - f. no existing architectural control violations
3. Election committee – a minimum of 2 Property Owners, independent of the board, will collaborate with 2 Directors per ByLaws, and will count votes and insure compliance with Bylaws & CC&R's.
4. Secretary/Treasurer will certify the final vote and result.
5. Results will be made known to Property Owners
6. Property Owners have 60- days to contest the election vote
7. Individual ballots will be destroyed after 60 days

P-4 Voting Procedures:

1. Lazy YU Ranch Phase II Property owner votes will adhere to the procedures outlined in the Bylaws of Lazy YU Ranch Phase II Property Owners Association.
2. All voting will be in written form, identifying voter, parcel owned, acres owned and if in good standing with the association:
 - a. assessments paid in full
 - b. no existing architectural control violations
3. Election committee – a minimum of 2 Property Owners, independent of the board, will collaborate with 2 Directors per ByLaws, and will count votes and insure compliance with Bylaws & CC&R's.
4. Secretary/Treasurer will certify the final vote and result.
5. Results will be made known to Property Owners
6. Property Owners have 60- days to contest the final vote
7. Individual ballots will be destroyed after 60 days

P-6 Attorney Consultations:

1. No Director will meet with the Association's Counsel without another board member being present at that meeting.
2. No board will expend more than the budget amount approved by Property Owners at the annual meeting without obtaining approval from a quorum of property owners at a Special meeting held as indicated in our Governing Documents.

P-7 Title Transfer Fees

Whereas: In April of 2005 the Board of Directors voted to assess a \$25 transfer fee for all real estate transfers the 2006 Lazy YU Ranch Phase II Board of Directors will continue with this policy. All funds received will be budgeted for office supplies, postage and copies for the Association.

P-8 Reimbursement for Association related expenditures by Board members:

All reimbursements for Lazy YU Ranch Phase II Property Owners Association expenses are to be submitted to the Board with the original receipt(s) or copy of receipt(s) and an expense form listing all requested reimbursements. The Board of Directors reserves the right to refuse to reimburse anyone for expenses not pre-approved or deemed to be directly related to the business of the Association. No reimbursements over \$200 will be made for any items not pre-approved by the Board.

P-9 Temporary replacement of elected Board Members or Directors at Large:

In the event that any Board Member or Director at Large is not able to fulfill his/her commitment due to illness or injury, the Board may, at its discretion fill the position on a temporary basis. The individual will serve until the original Board Member or Director at Large determines if s/he will return to his/her position or resign.

P-10 Interference with Insurance policy status

No individual property owner has the right to interfere with the status of the Association's Insurance. "No Property Owner may contact the Associations Insurance Carriers without first going thru the Board of Directors. Any property owner doing so will automatically be assessed a \$1,000 fine.

P-11 Establishment of a balanced budget and reserve fund:

1. All Lazy YU Phase II POA Budgets will be "balanced" that is, expenses do not exceed income, unless a deficit budget has been approved by a majority (50+%) of the property owners by written vote.
2. On December 31, of each year, any funds from assessments of that year, not expended or encumbered, will be designated "reserve funds" and will only be allocated for the repair or improvement of roads. Expenditure of these "reserve funds" for any other reason will require written approval by a majority (50+%) of the property owners by written vote

P-12 Notification of change of address or Acreage Split

1. It is their responsibility to notify the Board of Directors of any changes in their primary mailing address that may occur from year to year.
2. It is their responsibility to notify the Board of Directors of the number and acreage of any property splits approved by Mohave County PRIOR to the sale of any such splits.
3. Any requests for transfer information received from a Title company before the Board has the above information will result in the current owner of the property being assessed a \$50 transfer fee. This fee will be reported to the title company requesting information as an unpaid assessment that is payable to the Board on transfer of the property.
4. Property owners who transfer parcels without the assistance of a title company are responsible for providing the correct name and address of the buyer to the Board. Unless notified of the change, the last owner of record for the parcel will be responsible for the entire assessment and any late fees or penalties incurred.
5. Property owners are REQUIRED to inform all buyers that Lazy YU Phase II properties are bound by certain CC&R's and Association Bylaws and they are automatic members of our Association.
6. All transfer fees will be used for office supply, postage and mailing budget items.

P-13 Late Payment fees and fines

1. All assessments that are outstanding on January 31 of each year will incur a one time \$15.00 late payment fee in addition to the 18% per annum interest fee.
2. When a property owner fails to pay their outstanding assessments by April 30 of the billing year, the Board will assess an additional \$15 per month late fee, applied to the outstanding balance retro-active to January 31. Fines, late fees, interest will continue to accumulate until the outstanding bill is paid in full.
3. The Board reserves the right to review and adjust these fees on an individual basis.

All fees will be used for office supply, postage and mailing budget items

P-14 Arizona Planned Community Statutes

The Lazy YU Ranch Phase II Property Owners Association and it's Board of Directors will voluntarily comply with Arizona Planned Community Statutes when applicable.

P-15 CC&R and By-law Violation Fines and fees:*

The Lazy YU Ranch Phase II Property Owners Association and it's Board of Directors will impose a monetary per day fine, as well as a \$15 per month late fee on property owners found in violation of our declaration, bylaws and /or rules:

- a. The monetary penalty will be imposed only after notice is sent to the member under the conditions of our CC&R's and Arizona Statutes
- b. The fines will be imposed only after attempts by the Board to resolve the matter with the property owner(s) fail to achieve compliance
- c. The fine will be cumulative from the first date of notice of the offense if the property owner(s) do not resolve the

matter on a timely basis.

d. The property owner(s) will be responsible for all costs (including but not limited to legal and collection) per our Governing Documents.

e. A late fee of \$15 per month will be assessed for each month the fines remain unpaid.

f. If the property owner fails to resolve the violation within the allotted period, fines will be assessed from the first date of notification from the Board, on the following basis:

\$25 per day for the first 90 days

\$50 per day for days 91-151

\$100 per day from day 152 until the situation is resolved.

g. A Notice of Lien will be filed against the Parcel once the fine and costs exceed \$500.

h. The Board, at its discretion may vote to waive or reduce these fines.

P-16 Investigation and resolution of complaints cost reimbursement

1. All costs related to the investigation and resolution of Complaints or Architectural Control Violations, including but not limited to: legal fees, postage, copies, document service, and all other reasonable costs are to be reimbursed to the Association by the property owner.

2. Failure to reimburse the Association for costs incurred will result in a lien being placed against the property.

P-17 Splitting of Board Position

The Lazy YU Ranch Phase II Board of Directors have determined that the amount of work required to fulfill the role of Secretary/Treasurer has increased significantly, and can no longer be managed by one volunteer. Consequently, the Board of Directors has decided to separate the two positions according to our by-laws. All future boards will consist of: President, Vice President, Secretary, Treasurer and at least one director at large, for a total of 5 officers.

The following offices MUST be filled: President, Vice President, Secretary, and Treasurer.

P-18 Procedure for lien placement due to late assessment payment*

Prior to placing the lien, the Association and its Board of Directors will have notified each property owner as follows:

December 1: amount of assessment due on January

January 15 : 1st notice of outstanding assessments

February 1: 2nd notice interest, fines and late fees are applied to outstanding Assessment.

March 1: 3rd notice: Intent to place "Notice of Lien" on property if Assessment, Late Fees, fines and Interest not paid by April 1 of the current year

April 1: Final notice Sent to Property Owners that a "Notice of Lien" will be placed on their property on May 1 of that year unless all assessments, interest, late fees, and notification costs are paid before May 1 of that year & that property owner will be responsible for all collection costs.

May 1: Association Attorney to be instructed to place "Notice of Lien" against all delinquent property owners and the Secretary and Treasurer will provide all parcel related documents to Counsel.

All income obtained from fines will be added to the Reserve fund, other reimbursed costs will be credited to the line item from which they came.

2008-P-19 Records Return

When Association records are transferred between members of the Board of Directors or outside assistants/staff volunteers, they will sign a Records Custody & Promise to Return Contract. The Contract will state that Association records should be returned to the Association within 14 days of relinquishing their Association with the Board. The Records Custody and Promise to Return Contract will list the records transferred and be part of the Official Association Minutes.

* The 2008 Board has voted changes to these resolutions which will be forwarded to property owners for a confirmation vote.

Road Policy Amendments made to Bylaws

R-1 Mailboxes for Property Owners

The Lazy YU Ranch Phase II Board of Directors will establish a line item in the Association's budget to purchase and install approved multi-family mailboxes as directed by the U.S. Postal Service.

1. The Board will determine the cost of said mailboxes and installation and determine the per box cost.

2. Assess each individual who requests a mailbox, a none time, non-refundable fee equal to the per box cost. Use of the box may be transferred from the current property owner to any future owners-of the same property- at the current property owner's/mailbox holder's discretion and without additional fees.

R-2 Status of Roads

The Lazy YU Ranch Phase II Board of Directors has determined that:

1. The Board of Directors has no legal authority to prohibit any property owner from maintaining road easements crossing their personal property.
2. The Board of Directors is responsible for protecting the interests of the Association and its members against any legal issues that would arise due to the improper maintenance of roads, damage to the roads or personal property by individuals acting without the approval of the Board.
3. Only named members of the Lazy YU Phase II Property Owners Association Road Committee are allowed to maintain roads or road easements passing over property other than their own, and they must adhere to maintenance, insurance and equipment standards set by the board and/or any legal authorities.
4. All members of the Road Committee must be advised that in the event of an accident, injury, damage to vehicle or equipment - their personal vehicle insurance coverage is the primary source of compensation. The Association's General Liability insurance is primarily to provide protection to anyone who may be injured as a result of the maintenance or condition of our roads.

R-3 Property Owner incentives for voluntarily Road upgrade projects and paving projects.

The Lazy YU Ranch Phase II Board of Directors will:

1. Donate 15% of the cost of such projects (not to exceed a total of \$2000) to projects such as the 2006 Tomahawk Hill Paving when: funds are available, property owners initiate the project as a group, request assistance from the Board in writing, consult with the Board of Directors and voluntarily contribute funds for major road paving projects.
2. Support property owners in paving the Tomahawk hill by donating a total of \$1,935.00 to the 2006 Tomahawk Hill Paving Project.
3. The Board will review all road improvement projects before issuing approval of the project or requested funding assistance.
4. The Board will be named as a Party in any contract for road work that is approved.
5. The Association will not be responsible for the installation, repair, maintenance or improvement of any roads created by individual property owners.

IN WITNESS WHEREOF, we, being all of the directors of LAZY Y U RANCH PHASE II PROPERTY OWNERS' ASSOCIATION, INC., have hereunto set our hands on July 5, 2008.

Carl Hays
President

DJ Huffman
Vice President

Susan McAlpine
Treasurer

Michael Parver
Director at Large

George De Woody
Director at Large

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting President of LAZY Y U RANCH PHASE II PROPERTY OWNERS' ASSOCIATION, INC., an Arizona nonprofit corporation; and

That the foregoing Bylaws constitute the amended Bylaws of said Association, incorporating resolutions as duly voted by the membership at an Annual Meeting thereof, held on

February 2, 2008

Carl Hays