

BYLAWS WILD FLOWER WATER CO-OP

February 16, 1991

I. PURPOSE

This co-op exists for the purpose of providing a well user's organization to manage operation and maintenance of the community water well as described in the DECLARATION OF RESTRICTIONS AND EASEMENTS, and recorded in Book 5629 pages 117 through 124 of Pima County, Arizona.

II. AUTHORITY:

The authority to form this co-op is pursuant to the enforcement of rights and requirements upon all the well users as stipulated in the provisions recorded in the above DECLARATION OF RESTRICTS AND EASEMENTS. In addition, this co-op is chartered to maintain the well's compliance with all applicable County, State, and Federal regulations governing well operation.

III. DEFINITION OF GENERAL TERMS:

- A. This co-op shall be known as the Wild Flower Water Co-op and shall hereafter be referred to as the "Co-op."
- B. Subject properties affected by this co-op are all properties in Lots 13-3, 13-4, 13-7 and 13-8, of Section 13, Township 16 South, Range 10 East, and otherwise described as land bonded on the North by Viking Road, on the East by Sierrita Mountain Road, on the South by Raindance Road, and the West by Cherokee Lane.
- C. The DECLARATION OF RESTRICTIONS AND EASTEMENTS shall hereafter be referred to as the "Deed Restrictions."
- D. The general term 'Member' shall hereafter refer to head of household or otherwise responsible party for each separately metered connection maintained upon any of the subject properties which pays the hookup, and pays a monthly water bill.

IV. ADMINISTRATION:

- A. The affairs of this co-op shall be governed by a co-op board of directors whose authority is limited specifically to execution of those provisions stipulated by the bylaws contained herein and prevailing deed restrictions. The board of directors shall have the sole authority and responsibility to represent the co-op and/ or well. Such representation shall be as required per the bylaws or at the direction of the co-op membership.

The board of directors shall consist of a President, a Vice President, a Secretary, and a Treasurer and one board member at large. Term of office for the members of the board of directors is three with one-year terms and two with two-year terms.

The duties of the President shall include, but not be limited to, overseeing all aspects of well management and operation, ensure enforcement of the bylaws and

Bylaws

the Deed Restrictions as applicable, organize work parties, conduct co-op and board meetings, resolve issues and conflicts, and be the principal representative in all matters pertaining to this co-op as well to any County, State or Federal agency, bureau or organization.

The duties of the Vice President shall include, but not be limited to, assuming all duties of the President in his or her absence, and such additional duties as appropriately delegated by the President and/or membership.

The Secretary shall maintain all well and co-op records and be responsible for all co-op and board meeting minutes.

The Treasurer shall be responsible for the wells checking and savings account. The treasurer shall also go over the bookkeepers books once a year. The bookkeeper is to be appointed by a vote of the board based on acceptance by the general membership at a general meeting. The books may be examined by members at any reasonable time. The Treasurer shall be responsible for a semi-annual financial statement to be sent to each member.

Determination of all other issues not specifically covered by either the Bylaws or Deed or Restrictions is reserved to overall membership of this co-o by vote until such time that authority to act on behalf of said membership is granted to the Board of Directors by amendment to these Bylaws.

- B. Voting rights are based on one vote per member per definition of 'Member.'
- C. Amendments and issues determined by the membership of this co-op shall be by a simple majority vote.

At scheduled co-op meetings, this shall be by vote of those present and those represented by proxy. Those not present may be represented in the voting by a grant of proxy vote to any other member of this co-op, said grant of proxy granted in writing to the representing member. Only those members present at any meeting shall be considered for the total count when determining if a majority approves or disapproves of any issue. A written notice must be given to all members two (2) weeks prior to each meeting. A majority of members must be present to vote.

Such issues as may be presented to the membership in writing will be voted upon by return of a YES or NO, in writing, on the issue. A ballot for this shall be provided by the Secretary and returns shall be kept on file for a period of no less than five (5) years.

- D. Co-op meetings shall be held once every six (6) months, commencing with the meeting to enact these bylaws and elect the first Board of Directors. Other meetings may be scheduled as circumstances require, said meeting being called by the Board of Directors or the membership. Two weeks notice, in writing, shall be provided to all members. This notice shall state the purpose of the meeting, the text of any proposals requiring a vote, and the date, time and location of the meeting.

Bylaws

- E. Any or all members of the Board of Directors are subject to recall by a simple majority vote of all members of the co-op, said recall election to be called by the membership. The Secretary shall make available to the membership the mailing address of all members. This notice shall state the purpose of the meeting, the issue pertaining to the recall, and the date, time and location of the meeting.
- F. Replacement of a board member who has resigned will be by vote (meeting or written) at the next general meeting.
- G. The Board of Directors will meet monthly. The membership will be notified when a meeting time is changed. All board meetings are open to general membership.

V. WELL OPERATION AND FINANCE:

- A. Well expenses shall be divided into three (3) categories. These are operating expenses, and contingency funds. Separate accounts shall be maintained for these three (3) expenses.

Operating expenses are periodic costs associated with providing water service (electricity, water testing, insurance, etc.).

Contingency funds are those expenses associated with an emergency repair.

The hookup fees (improvement fees) will go into the Improvement Fund to be used for upgrading the water system. When all improvements are done on the well site, these fees will be used to gradually upgrade the entire system to meet all county and state codes.

- B. Operating expenses are charged to members based on their share of water used, and a flat monthly service charge. The operating expense shall include, but not be limited to, such costs as monthly electrical bill, water testing, cost of certified well operator, office expenses, incurred on behalf of the co-op, telephone bills, maintenance of the well site, insurance, etc. Other expenses such as are directly related to the operation of the well are included in this category.
- C. The contingency fund is the fund raised and maintained solely for emergency repairs to the well. The amount maintained in this fund shall be based on the worst case expense of simultaneous and complete replacement of all pump and motor assemblies associated with the well. The contingency fund shall be raised and maintained by a monthly assessment based on a .0005 cost per gallon of water used. If and when the fund reaches the target level, the contingency fund assessment shall continue until the water system meets all county, state, and federal rules. At this time, the fund could be suspended until such time as any emergency repair draws the fund below the target level. The target level shall be evaluated on a yearly basis and adjusted to accommodate any price changes to the specified pump and motor equipment. Amounts paid into the contingency fund are non-refundable inasmuch

Bylaws

as they represent payment for wear and tear on well equipment providing water service during the residency of any member.

- D. Each member shall signify acceptance of the provisions of these Bylaws by his or her witnessed signature on a separate agreement. The original shall be retained by the co-op Secretary and a copy thereof shall be provided by the signatory member.

In the event of a refusal to agree to these provisions, the exact provisions of the prevailing Deed of Restrictions shall apply, by default, without recourse on all issues that apply to the subject party.

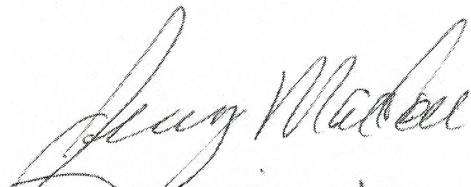
In the case of renting members, a one hundred dollar deposit is required plus the agreement may be executed by the landlord on behalf of the member renting the property if said landlord agrees to be responsible for all matters as stipulated by the provisions of these Bylaws, to include monthly bills, etc.

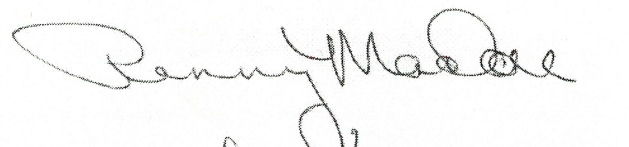
- E. Each member shall be assessed a one-time membership fee of \$250.00, at the present time. A membership fee of \$75.00 will be assessed to reconnect service to existing dwellings. Well and water services to all new members shall be granted only after execution of said agreement and payment of the membership fee. Said membership fee shall go into the improvement fund. Extension of lines or upgrade to ADEQ specifications shall be the responsibility of the new member. Individuals and/or contractors are specifically prohibited from freely connecting to any portion of the common water distribution system until the subject property's responsible owner executes an agreement and pays the membership fee.
- F. Where continued operation of the well is in jeopardy and the contingency fund is too small to absorb the cost, the Board of Directors shall, for emergency purposes only, be empowered to access a levy, based on water use. This levy, or sum or more than one levy, shall not exceed \$200.00 per member in any one, four (4) month period. Any amount that exceeds the ceiling shall require approval by a majority of the membership as the amount and the method of payment by the members.
- G. Each member shall locate their meter(s) at the edge of such easements as are provided for common access to the water distribution system. Meters shall be connected to the water distribution system through a shutoff valve capable of being locked in the off position. Said meter and valve shall be jointly located inside casements with covers and shall be installed in such a manner as to not expose said meter, valve and casement to road traffic or flood hazards. Should location in present easements not be feasible by reason of hazard to said installation, and installation shall be placed in a safe location upon the subject member's property and a minimum of a 5' wide easement shall be granted to this co-op for a fee access to and from said meter from the easement from whence the connection to the water distribution system originates. If subject property is fenced, a gateway shall be provided across any access easement.

- H. Payment for operating expenses, and contingency fund shall be monthly. Bills are due upon receipt of the billing and shall be declared delinquent if not paid prior to the next month's billing.
- I. Any member who terminates residency will be charged an appropriate amount of the operating expense for their final month. The full amount of the contingency fund shall be due for the final month. All outstanding payment expenses for which that member is liable must be paid in full.

VI. ENFORCEMENT

- A. Service to a delinquent account shall be severed if in arrears two (2) months. Concurrent to severance of water service, will be put into a collection agency and (or) a lien put against said member's property shall be filed for the amount of delinquent plus and legal fees incurred. The subject member shall be notified in writing of this proposed action no less than ten (10) days prior to this action.
If residency is terminated with any liabilities still outstanding, a lien against said member property shall be filed for that amount.
- B. Service shall not be restored to a member who has service severed by reason of delinquency of their account until the amount in arrears has been paid in full and a cash deposit of \$100.00 has been posted. This cash deposit shall be retained by the co-op for a period of three years, or upon the member terminating residency on the subject property, whichever occurs first and any outstanding balance will be deducted from the cash deposit shall be forfeited. For as many times as a member subsequently has water service severed, service again s hall not be restored until all amounts in arrears are paid in full and another cash deposit of \$100.00 has been posted each and every time.
- C. Any member who, for reason of hardship, cannot pay their monthly bill may privately and in confidence petition the Board of Directors for relief from severance of water services. The board shall review the matter with the subject member. The board is empowered to establish any fair and equitable alternative method of payment (barter, labor, etc.) that results in the co-op receiving fair value received for said water service provided at co-op expense. Any hardship cases must be reviewed every three (3) months to adjust method and amount of repayment.


President


Secretary/Treasurer

