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REVISED BYLAWS OF HIGH LONESOME RANCH ESTATES PROPERTY OWNERS
ASSOCIATION

Pursuant to the provisions of Arizona Revised Statutes, ARS. §10-3101, et seq. and ARS §33-1801, et seq., the above Arizona nonprofit corporation hereby adopts the following Bylaws to replace in their entirety the Bylaws dated January 6, 2022, these Bylaws are effective [date of adoption].

The purpose of the POA is to maintain the common areas and to perform other functions explicitly required by Arizona Revised Statutes, the Declaration, and the Articles of Incorporation. The POA commits to being a minimalist entity acting only when required, leaving owners to the "quiet enjoyment" of their properties and to protect property values.

ARTICLE I

NAME AND LOCATION

The name of the corporation is High Lonesome Ranch Estates Property Owners Association, hereinafter referred to as the "Association". Meetings of Members and Directors may be held at such places within the State of Arizona, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 2.1 "Association" shall mean and refer to High Lonesome Ranch Estates Property Owners Association, an Arizona nonprofit corporation, its successors and assigns.

Section 2.2 "Properties" shall mean and refer to that certain real property described in the Declaration.

Section 2.3 "Common Area" shall mean all real property from time to time owned or controlled by the Association for the common use and enjoyment of the Owners, and all improvements thereto.

Section 2.4 "Lot" shall mean and refer to Lots shown upon the recorded Record of Survey of the Properties with the exception of any areas designated thereon as Common Area. "Lot" shall include lots later annexed in accordance with the Declaration.

Section 2.5 "Owner" shall mean and refer to the record Owner, whether one (1) 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 2.6 "Officer" shall mean and refer to a person elected or appointed to manage an organization's daily operations, such as a president, vice president, secretary, or treasurer. An officer shall, at all times, be a Member of the Board of Directors.

Section 2.7 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, Restrictions and Easements for High Lonesome Ranch Estates—Unit 1, Lots 7 Through 50, and High Lonesome Ranch Estates Unit II, Lots 52 through 141, as recorded in fee # 001028197 and 010928105 in the Office of the Cochise County Recorder, State of Arizona, as it may be amended from time to time.

Section 2.8 "Member" shall mean and refer to those persons entitled to Membership in the Association as provided in the Declaration.

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ARTICLE III

MEETING OF MEMBERS

Section 3.1 Annual Meetings. The annual meeting of the Members shall be held during the first quarter of each calendar year at a time and date to be announced.

Section 3.2 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-tenth (1/10) of all of the votes entitled to be cast by the Membership.

Section 3.3 Notice of Meetings. Notice of members meetings will be accomplished per [ARS 33-1804](#).

Section 3.4 Quorum. The presence at the meeting of Members entitled to cast twenty-five percent (25%) of the votes of each class of Membership shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. Pursuant to [ARS 33-1812B](#), votes cast by absentee ballot or other form of delivery are valid for the purpose of establishing a quorum. If, however, such quorum shall not be present 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. If the adjournment is for more than thirty (30) days, notice shall be given to each Member entitled to vote at the meeting. In the event of a vacant board of directors, the quorum for the reconstitution of the board by appointment will be ten (10) percent of the members otherwise eligible to vote.

Section 3.5 Mail or Absentee Ballots. At all meetings of Members, each Member may vote in person or by Mail or Absentee Ballot whichever applies. Proxies Ballots are not allowed per [ARS 33-1812](#). There shall be one vote per lot per item being voted.

Section 3.6 Member Action Without a Meeting. Any action required or permitted to be taken by the Members at a member meeting may be taken without a meeting, by written consent, as evidenced by one or more written consents describing the action taken, signed by a majority of the Members (or such greater percentage as may be required hereunder or in the Articles or Declaration for the action taken hereunder) and filed with the minutes or corporate records. Action taken by written consent is effective when the last Member (of the number required for the action) signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be described as such in any document.

Any vote of the Members may also be taken without a meeting, by written ballot, if (1) the Association delivers a written or electronic, if and as permitted by state law, ballot to every Member entitled to vote on the matter, giving the Member an opportunity to vote for or against the proposed action, and setting forth (a) the proposed action, (b) the number of responses needed to meet quorum requirements, (c) the percentage of approvals needed to approve the matter, and (d) the time by which a ballot must be delivered in order to be counted, which shall be not fewer than three days after the corporation delivered the ballot to the Members; (2) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action; and (3) the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

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Section 4.1 Number. The affairs of the Association shall be managed by the Board. The Board shall consist of, and the voting Members shall elect nine (9) directors, each of whom must be an individual Member or an individual designated by a corporation, partnership, or other non-individual Member.

Section 4.2 Term of Office. The directors shall be elected at the annual meeting of the Members, and the term of the directors shall be staggered three year terms.

Section 4.3 Removal. Any director may be removed from the Board, in accordance with [ARS 33-1813](#) A recalled director is ineligible to run for office again

Section 4.4 Replacement. . In the event of a vacancy and if more than twelve (12) unexpired term months remain, a special election of the Members may be held, at the discretion of the Board, in accordance with the procedures of Article V. Regardless of the time remaining term, the Board, may appoint an interim director from a list of volunteers to serve out the remaining term or until a special election can be held. In the event all members of the board are replaced at a special membership meeting, the appointed directors shall serve until an election is held under Article V. In all cases the vacancy(ies) will be filled before the closing of the next board meeting unless the board has deemed an election is to be held.

Section 4.5 Compensation. No director shall receive compensation for any service he or she may render to the Association that is within his or her duties as a director. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his duties, provided such expenses are documented and approved by the Board.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 5.1 Nomination. Nominations from the floor are not allowed. The secretary will send a written request to all Members at least 60 days prior to the annual election, or 30 days prior to a recall or special election for filling of a director vacancy. Such nominations shall be made from among individual Members who are in good standing with the Association. Nominees will submit their names to the secretary who will verify that they are in good standing before forwarding the vetted list to the Elections Committee. Good standing is defined as no pending board actions or delinquencies.

Section 5.2 All ballots for election to the Board of Directors, either for the annual election, a special election, or a recall vote, shall comply with [ARS 33-1812](#). Ballots will be secret. Elections will be conducted in a manner so as to incur the minimum cost to the Association, using online voting to the maximum extent possible. Only members specifically requesting paper ballots will be sent one and the cost of returning it will be at the member's expense.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 6.1 Regular Meetings. All meetings of the Board Of Directors will be held in accordance with [ARS 33-1804](#). Each Member, or Member's representative, may speak for no more than three minutes per subject, unless additional, reasonable time is granted by the meeting chair. Regular meetings shall be limited to a two-hour duration; at the end of the two-hour limit, the meeting shall be adjourned, and all remaining agenda items will be added to the beginning of the next meeting's agenda. However, the Board

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may vote to continue the meeting for an additional 30 minutes. Additional extensions may be permitted if additional Board votes approve of such extensions.

Any portion of a meeting may be closed only if that closed portion of the meeting is limited to consideration of one or more of the reasons allowed by [ARS 33-1804](#).

Section 6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days written notice to each director, and announced to all Members per [ARS 33-1804](#).

Section 6.3 Virtual and Online Meetings. The board may use these tools subject to the following requirements. The use of these tools must be open to and available to members. Meetings must be notified and conducted to the members per [ARS 33-1804](#) with place of meeting listed as online. Should the board use a forum-like tool, it will be made available to the members in viewing mode and a printed copy maintained in the corporate files. No other tools not available to the membership at large will be used for the conduct of corporate affairs. Members' right to participate in Board meetings will not be abridged by the choice to use a virtual or online meeting platform.

Section 6.4 Quorum. A simple majority of the 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 6.5 Emergency Meeting. An emergency meeting of the board of directors may be called pursuant to [ARS 33-1804](#).

ARTICLE VII

RESPONSIBILITIES, POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 Responsibilities. Per Declaration 5.1, the Association shall be responsible for the protection, improvement, alteration, maintenance, repair, replacement, administration, management and operation of the Common Area. As per Declaration 11.1, the Association, or any Member, shall have the right, but not the duty, to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens or charges now or hereafter imposed by the provisions of the Declaration. The Board, deeming it value-adding to property owners, has established that it will not enforce Articles 9 and 10 of the Declaration. In addition to this, the Association common area includes, but is not limited, to a well, windmill and tank. The Declaration provides no limitation on the use of water from wells on the Association common areas. It does state that the resource is, "to be made available for the use and enjoyment of the Owners." No warranty of water availability is provided and no indications of potability will be present. Common area is defined in Declaration 1.3 and discussed in Declaration Article 3.

Section 7.2 Powers. The powers of the Board of Directors shall be limited to:

- A. Exercise for the Association only those powers, duties and authority vested in or delegated to the Board by either the Articles of Incorporation and or the Declaration. ;
- B. Declare a vacancy on the Board of Directors in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors, and so long as the board Member in question has been contacted and notified, in writing, of this clause of these bylaws after the second consecutive absence.
- C. Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

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D. Grant easements over, across or under the Common Areas for public utilities, ingress, egress and such other purposes as may be deemed advisable by the Board.

E. The board may pursue litigation. However, before doing so, the contemplation of such litigation will be brought to a vote, and approved by the affirmative vote of owners representing two thirds (2/3) of the total votes entitled to be cast by Owners, Any such contemplation of litigation must include a special assessment to cover reasonable legal fees and expenses, to be determined by the board, and to be paid for by all Members of the association or else it will not be pursued.

Section 7.3 Duties and Authorities. The duties of the board shall be explicitly limited to the following with a note that all powers allowed to HOAs under [ARS 33, Chapter 16](#) are withheld to the membership at large. It shall be the duty of the Board of Directors to:

A. As more fully provided in the Declaration:

1. Fix the amount of the annual assessment against each Lot;
2. Send written notice of each assessment to every Owner subject thereto;
3. Foreclose the lien against any property for which assessments are not paid, and only if the Owner has been delinquent in the payment of monies secured by the lien, excluding reasonable collection fees, reasonable attorney fees and charges for late payment of and costs incurred with respect to those assessments, for a period of one year or in the amount of one thousand two hundred dollars or more, whichever occurs first, or to bring an action at law against the Owner personally obligated to pay the same, provided same is cost effective in the sole discretion of the Board of Directors;

B. Procure and maintain liability and, at the Board's discretion hazard insurance, on property owned by the Association in the amounts required by the Declaration or otherwise determined by the Board of Directors in their sole discretion;

C. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

D. Cause the Common Area, and any other areas for which the Association is responsible, to be maintained, repaired and otherwise protected;

E. Send the information required by Article XIII below to a prospective purchaser of a Lot upon receipt of the required notice of pending sale.

F. The authority to impose penalties found at [ARS 33-1803](#) is specifically withheld to the members. All other authorities provided in [ARS 33](#) are withheld to the members unless specifically granted to the Board in either the Articles of Incorporation or the Declaration.

G. No sitting board member may financially benefit from any board motion during the tenure of the board member's directorship and in case in which a change would otherwise financially benefit a director, that change will be suspended until that director is no longer a board member.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 8.1 Enumeration of Offices. The officers of this Association shall be a president, vice-president, secretary, and treasurer, who shall at all times be Members of the Board of Directors and such other officers as the Board may from time to time by resolution create.

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Section 8.2 Election of Officers. Officers shall be selected by the Board at the first meeting of the Board of Directors following each annual meeting of the Members.

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

Section 8.4 Special Appointments. The Board may select such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 8.5 Resignation and Removal. Any officer may be removed from office, but not from the board, with a simple majority vote of a quorum of the Directors. 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.

Section 8.6 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 or she replaces.

Section 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 (1) of any of the other offices except in the case of special offices created pursuant to Section 8.4 of this Article.

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

A. **PRESIDENT** The president shall, along with the secretary, set the agenda of all regular meetings; 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 checks and promissory notes.

B. **VICE-PRESIDENT** The vice-president shall act in the place and stead of the president in the event of the president's absence, or inability to act, and shall exercise and discharge such other duties as may be required by the Board.

C. **SECRETARY** The secretary, along with the president, shall set the agenda of all meetings. The secretary shall maintain the files and records of the association, record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

D. **TREASURER** The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors or in accordance with a Board-approved budget. The treasurer shall insure the reserve funds are held in a savings account non-related to the operating account, which may only be used for road repairs or emergency road maintenance which may, from time to time, inadvertently surpass the budgeted amount. The treasurer shall co-sign all checks and promissory notes of the Association, keep or cause to keep, all financial records of the Association and send, or cause to have sent, all invoices for assessments and cause an annual review of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members. Capital expenses shall require the signature of the Treasurer and President. The treasurer will maintain a set of accounting books of original entry using online software that the treasurer uses to prepare monthly

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financial statements in accordance with generally accepted accounting procedures. These books will be available to the members and directors at all times. The Treasurer will maintain an internal controls handbook and will review this handbook at least annually prior to the financial audit in concert with the Finance Committee. The Treasurer, with the Finance Committee, will prepare a proposed budget to be presented to the board in the form of a financial statement.

ARTICLE IX

COMMITTEES

Section 9.1 The board shall appoint an Elections Committee, Road Committee and a Finance Committee. The chair of the elections committee shall be the Secretary and the chair of the Finance Committee must be the Treasurer. Additionally, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes. There will be no set limit to membership on any specific Committee. Committee members must be in good standing to serve or be granted the opportunity for a hearing. The board will assign board members to be committee liaisons. All committee meetings are subject to open meeting laws and announcements, per [ARS 33-1804](#).

Section 9.2. Compensation. No committee member shall be compensated for the performance of their duties without a pre-approved contract with the association for the work to be performed.

ARTICLE X

HEARINGS

In the event the Board shall exercise its right: 1) to suspend voting rights; 2) to suspend the rights of an Owner or his or her family to use the Common Area. The Board shall first give the sanctioned party written notice of the basis for such sanctions, and the sanctioned party shall be granted an opportunity to be heard by the Board as per [ARS 33-1803](#). The form of such notice and the specific procedures for the hearing shall be determined by the rules and regulations adopted by Board resolutions.

ARTICLE XI

BOOKS AND RECORDS

The books, records and papers of the Association, including archived financial records, are available to members through coordination with the Secretary. All documents are available for review except for those containing personal information about another member. All Association governing documents, meeting minutes, previous proposed and approved resolutions, and motions will be available on the HLR official website.

ARTICLE XII

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 of Assessments. Refer to the Declaration 7.2 Effect of Nonpayment.

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RESALE OF LOT(S)

The Association and all members will comply with [ARS 33-1806](#). The Secretary will maintain all related documentation.

ARTICLE XIV

ASSOCIATION RULES

As permitted by Declaration 5.3, the Association may maintain Association Rules. The Association Rules may, among other things, restrict and govern the use of the Common Areas and shall be intended to enhance the preservation and development of the Common Area. Current Association Rules will be posted on the website .

ARTICLE XV

FISCAL YEAR

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-

ARTICLE XVI

NOTICE

All notices, demands, statements or other communications required to be given or served under these Bylaws shall be in writing and shall be deemed to have been duly given and served if delivered personally or sent by U.S. Mail, postage prepaid or, in the case of a notice pursuant to Section 7.1(B) of these Bylaws, registered or certified U.S. Mail, return receipt requested, postage prepaid: (1) if to an Owner, at the address that the Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the Owner's property address within the Property or (ii) to the Association, the Board or any manager employed by the Association with respect to management of the Common Areas, at the principal office of the manager or such other address as shall be designated by notice in writing to the Owners, with copies mailed or delivered personally to the Association at its then principal address. A notice given by mail, whether regular, certified, or registered, shall be deemed to have been received by the person to whom the notice is addressed on the earlier of the date the notice is actually received or three (3) days after the notice is mailed.

In Witness Whereof, we have executed these Bylaws this _____ day of _____, 2022

President,

Secretary,

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