

**AMENDED AND RESTATED BYLAWS  
OF  
HAVASU GARDENS ASSOCIATION, INC.**

These Amended and Restated Bylaws of Havasu Gardens Association, Inc. ("Bylaws") are made and entered into this 6 day of MAY, 2014.

**ARTICLE I  
GENERAL PROVISIONS**

1.0 Defined Terms. Capitalized terms used in these Bylaws without definition shall have the meanings specified for such terms in the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Havasu Garden Estates East recorded with the County Recorder of Mohave County, Arizona, on February 7, 1994, at Instrument No.94-7546, in Book 2353, Page345, and any amendments thereto.

1.1 Principal Office. The principal office of the Association shall be located at 4614 Park View Drive, Lake Havasu City, Arizona 86404, but meetings of members and directors may be held at such other place within the State of Arizona as may be designated by the Board of Directors.

1.2 Conflicting Provisions. 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.

1.3 Designation of Fiscal Year. The fiscal year of the Association shall begin on the 1<sup>st</sup> day of January and end on the 31<sup>st</sup> day of December of every year.

1.4 Books and Records. All books, records and papers of the Association shall be available for inspection by any Member during reasonable business hours within ten (10) business days of such request. Each Member may also purchase copies of the Association records within ten (10) business days of such request for a reasonable price, not to exceed any limit imposed by law. Notwithstanding the foregoing, the following are not subject to inspection by any party other than the Board of Directors, its management agent, if any, and its attorneys and accountants, as necessary and appropriate:

(a) Privileged communication between an attorney for the Association and the Association, including, but not limited to, legal advice from an attorney for the Board or the Association;

(b) Pending litigation;

(c) Meeting minutes or other records of a closed executive session of the Board held in accordance with Arizona law;

(d) Personal, health or financial information about an individual Member of the Association, an individual employee of the Association, or an individual employee of a contractor for the Association;

(e) Records relating to job performance of, compensation of, health records of, or specific complaints against an individual employee of the Association or an individual employee of a contractor of the Association who works under the direction of the Association;

(f) Financial and other records of the Association if disclosure would violate any state or federal law; and

(g) Any other records which may be withheld pursuant to the law.

Notwithstanding the foregoing, every Director shall have the right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and reasonable copies of documents at the expense of the Association.

#### 1.5 Amendment.

(a) These Bylaws may be amended at a regular or special meeting of the Members, by a vote of the Members having a two-thirds (2/3) of the votes cast by the Members present in person or by absentee ballot or a majority of the total votes in the Association, whichever is less.

(b) Notwithstanding the foregoing, the Board of Directors may amend these Bylaws without a vote of the Members solely to cause the Bylaws to comply with applicable law.

### ARTICLE II MEETINGS OF MEMBERS

2.0 Annual Meeting. An annual meeting of the Members of the Association shall be held at least once every fourteen (14) months within the state of Arizona. The time and place of each annual meeting of the Members shall be determined by the Board of Directors.

2.1 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 signed by Members having at least one-tenth (1/10) of the total authorized votes of the Association.

2.2 Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting by mailing a copy of each notice along with an absentee ballot, if applicable, listing items to be voted on at the meeting, postage prepaid, at least ten (10) days but no more than fifty (50) days before such meeting to each Member entitled to vote thereat addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

2.3 Quorum. Except as otherwise provided in the Articles, the Declaration or these Bylaws, the presence, in person or by absentee ballot, of Members entitled to cast sixty percent (60%) of the votes of the Membership shall constitute a quorum at all meetings of the Members. If the required quorum is not present, another meeting may be called, subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

2.4 Ballots. At all meetings of the Members, any vote must be cast by a printed ballot. An absentee ballot shall be forwarded to all Members with the notice of meeting provided for in Section 2.2 above. Absentee ballots may be returned by U.S. mail, electronic mail, facsimile, and the Board may allow for absentee ballots to be returned by some other form of delivery. Ballots will be available to those Members who are present in person at the meeting; however, in no case shall a Member be permitted to submit more than one ballot per Lot owned.

### ARTICLE III BOARD OF DIRECTORS

3.0 Number. The affairs of this Association shall be managed by a Board of Directors of not less than three (3) nor more than seven (7) directors, as determined from time to time by the Board of Directors. All directors must be Members of the Association.

3.1 Term of Office. The intent of the Association is for the members of the Board to serve staggered, two-year terms. To accomplish that goal, at the first annual meeting following the adoption of these Bylaws, one more than half of the Directors will be elected for two-year terms and the remaining Directors will be elected for a one-year term (with the elected Directors receiving the highest votes serving the longer terms). At each annual meeting thereafter, the Members shall elect directors to replace those Directors whose terms have expired, and all such Directors shall be elected for a term of two (2) years, except that the Board shall have the right to cause a Director to be elected for less than a two (2) year term if it becomes necessary to re-establish the staggered terms.

3.2 Nomination and Election. Nominations for election to the Board may be made by the Members and Board of Directors, according to a procedure set forth by the Board of Directors. Nominations may not be made from the floor at the annual Members' meeting, but write-ins are permitted. At each annual meeting of the Members, Directors shall be elected by a plurality vote of the Members of the Association using written ballots.

3.3 Resignation and Removal. A Director may resign at any time by giving written notice of such resignation to the Board, President, or Secretary. Such resignation shall take effect at the time of receipt of such notice or at any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective. At a special meeting of the Members called for such purpose, any one or more of the members of the Board of Directors may be removed from the Board of Directors, with or without cause, by Members having more than fifty percent (50%) of the votes cast by the Members, in accordance with Arizona law regarding the removal of Directors.

3.4 Compensation. No Director shall receive compensation for any service he or she may render to the Association which is within their duties as a Director. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties. A Director may receive compensation for services rendered to the Association which are outside their duties as a Director if the payment of such compensation is approved by all of the other Directors.

3.5 Vacancies. Vacancies on the Board of Directors caused by the removal of a Director by the Members in accordance with the provisions of Section 3.2 of these Bylaws shall be filled at a special meeting of the Association by a vote of the Members. Vacancies on the Board of Directors caused by any other reason shall be filled by a majority vote of the remaining Directors then in office, even if such Directors are less than a quorum, or by a sole remaining Director. Each person so elected shall hold office until a successor shall be elected at the next annual meeting of the Members. If there are no Directors in office, then an election of Directors may be held in the manner provided by statute.

3.6 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board of Directors. Such meetings shall be held at least once during each fiscal year. Notice of the time and place of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, e-mail, telephone, or other legally-recognized electronic means at least forty-eight (48) hours prior to the day named for the meeting. Notice of regular meetings of the Board shall be given to Members at least forty-eight (48) hours in advance of the meeting by newsletter, conspicuous posting, or any other reasonable means as determined by the Board of Directors. The failure of any Member to receive actual notice of a meeting of the Board does not affect the validity of any action taken at that meeting.

3.7 Special Meetings. Special meetings of the Board of Directors may be called to discuss business that cannot be delayed until the next regular Board meeting and the minutes of such special meeting must state the reason necessitating the special meeting. Special meetings of the Board of Directors may be called by the President or by any two Directors, after not less than forty-eight (48) hours notice to each Director, given personally or by mail, e-mail, telephone, or other legally-recognized electronic means, unless emergency circumstances necessitate a meeting before forty-eight (48) hours notice can be given. The notice shall specify the time and place of the meeting and the nature of any special business to be considered.

3.8 Agenda. An agenda will be available to all Members attending a Board meeting.

3.9 Means of Participation. Regular or special meetings of the Board of Directors may be held in person or by means of conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation at such meeting shall constitute presence in person at the meeting. Furthermore, for any Board meetings open to the Members, the means of communication must also allow Members to hear all parties who are speaking during the meeting.

3.10 Open Meetings and Executive Sessions. Unless the Board or a committee is permitted by Arizona law to hold a closed meeting or a closed executive session for portions of a meeting, all meetings of the Board of Directors and all regularly scheduled meetings of committees of the Association shall be open to the Members. At any open meeting of the Board of Directors, Members will be entitled to speak before the Board takes formal action on an item under discussion in addition to any other opportunities to speak. The Board of Directors may meet in closed session to discuss the following:

- (a) Legal advice from an attorney for the Board or the Association;
- (b) Pending or contemplated litigation;
- (c) Personal, health, or financial information about an individual Member of the Association, an individual employee of the Association, or an individual employee of a contractor for the Association;
- (d) Matters relating to job performance of, compensation of, health records of, or specific complaints against an individual employee of the Association, or an individual employee of a contractor of the Association who works under the direction of the Association;
- (e) An Owner's appeal of any violation cited or penalty imposed by the Association except on request of the affected Owner that the meeting be held in an open session; and
- (f) Any other matters for which the law allows the Board to meet in executive session.

3.11 Quorum. A 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 of Directors.

3.12 Action Taken Without a Meeting. Unless otherwise expressly restricted by statute, the Declaration, the Articles, or these Bylaws, 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 consent of all the Directors. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

3.13 Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not required to be acted on or done by the Members pursuant to the terms of these Bylaws, the Declaration or the Articles. In addition to the duties imposed by these Bylaws or by any resolution of the members that may hereafter be adopted, the Board of Directors shall have the following powers:

- (a) Open bank accounts on behalf of the Association and designate the signatories thereon;

(b) Make, or contract for the making, of repairs, additions, improvements or alterations of the Common Areas, in accordance with the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(c) In the exercise of its discretion, enforce by legal means the provisions of these Bylaws, the Declaration or the Articles;

(d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Areas and provide services for the Association, and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;

(e) Provide for the operation, care, upkeep and maintenance of the Common Areas and services for the Association and borrow money on behalf of the Association when required in connection with any one instance relating to the operation, upkeep and maintenance for the Common Areas; provided however, the consent of Members having at least two-thirds (2/3) of the total votes in the Association shall be obtained either in writing or at a meeting called and held for such purpose in accordance with the provisions of these Bylaws in order for the Association to borrow in excess of \$10,000;

(f) Prepare and adopt an annual budget for the Association prior to the commencement of each fiscal year;

(g) Adopt and publish rules and regulations governing the use of the Property and the personal conduct of the Members and their guests, lessees, invites and family members and establish penalties for the infraction thereof;

(h) In accordance with the Declaration, to suspend the voting rights of a Member and such Member's right to use of the Common Areas and facilities;

(i) 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 Declaration or the Articles;

(j) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;

(k) Employ, hire and dismiss such employees as they deem necessary and to prescribe their duties and their compensation;

(l) Hire or employ and dismiss a manager, whether as an independent contractor or as an employee, to perform such services and duties as the Board of Directors may direct including, but without limitation, any of the duties granted to the officers of the Association in these Bylaws or any duties of the Board of Directors set forth in this Article III;

- (m) Cause to be kept a complete record of all its acts and corporate affairs;
- (n) Supervise all officers, agents and employees of the Association and see that their duties are properly performed;
- (o) Levy Assessments in accordance with the Declaration and take all necessary action to collect such Assessment;
- (p) Issue, or cause an appropriate officer to issue upon demand to a person acquiring an interest in any Lot and to a lienholder, escrow agent, Owner or person designated by an Owner, a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate will be provided within the time period required by law. Such certificates shall be conclusive evidence of payment of any Assessment therein stated to have been paid;
- (q) Procure and maintain adequate property, liability and other insurance covering the Common Areas and such other coverage as the Board of Directors deems prudent;
- (r) Cause all officers or employees having fiscal responsibilities to be bonded and/or insured, as it may deem appropriate;
- (s) Cause the Common Areas to be maintained, as more fully set forth in the Declaration.

#### ARTICLE IV OFFICERS AND THEIR DUTIES

4.0 Enumeration of Officers. The principal officers of the Association shall be the President, the Vice-President, the Secretary, and the Treasurer, all of whom shall be elected or appointed by the Board of Directors. The President must be a member of the Board of Directors. Any other officers may, but need not, be members of the Board of Directors.

4.1 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors. The election of the officers shall, to the extent reasonably possible, take place at the first meeting of the Board of Directors following each annual meeting of the Members.

4.2 Term. Each officer shall hold office for two (2) years unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve. Officers who have resigned, been removed or whose term has expired may be re-elected.

4.3 Special Appointment. The Board of Directors may elect 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 of Directors may, from time to time, determine.

4.4 Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, 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.

4.5 Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacant office shall serve for the remainder of the term of the officer he or she replaces.

4.6 Powers and Duties. To the extent such powers and duties are not assigned or delegated to a manager by the Board of Directors, the powers and duties of the officers shall be as follows:

(a) President. The President shall be the chief executive officer of the Association; shall preside at all meetings of the Board of Directors or the Members; shall see that orders and resolutions of the Board of Directors are carried into effect; and shall generally manage the business of the Association;

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

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; serve notice of meetings of the Board of Directors 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 of Directors;

(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; shall sign all checks and promissory notes of the Association; shall keep proper books of account; shall prepare an annual budget and a statement of income and expenditures; and, in general, perform all the duties incident to the office of treasurer.

## ARTICLE V INDEMNIFICATION

5.0 Indemnification. The Association shall indemnify every officer, director, and agent of the Association against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon any officer or director of the Association in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or an agent of the Association, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers, directors, and agents shall have no personal liability with respect to any contract or other commitment made by them, in good



faith, on behalf of the Association (except indirectly to the extent that such officers or directors may also be Owners of the Association and therefore subject to Assessment to fund a liability of the Association), and the Association shall indemnify and forever hold each such officer, director, and agent free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, agent or former officer, director, or agent of the Association, may be entitled. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by law; provided, however, that the Association shall have the right to refuse indemnification if the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the Association, at its own expense and through counsel of its own choosing, to defend him or her in the action.

## ARTICLE VI COMMITTEES

6.0 General Provisions. All committees shall be responsible for carrying out the duties and responsibilities which have been established by Board and no committee may take action which exceeds its responsibilities. Each committee shall operate in accordance with any terms, limitations, or rules adopted by the Board of Directors. Each Committee will elect a Chairperson who will be responsible for reporting all Committee activities to the Board on a monthly basis prior to the regular meeting of the Board.

6.1 Architectural Committee. As further provided in the Declaration, the Board will appoint an Architectural Committee to regulate the external design, appearance, use and maintenance of the Project and to perform such other functions and duties as are imposed upon it by the Board of Directors. At least one Director will serve on the Architectural Committee as the chair of the committee.

6.2 Other Committees. In addition to other committees specifically provided for in these Bylaws or the Declaration, committees comprised of such persons, formed to perform such tasks, and to serve for such periods as may be designated by the Board of Directors are hereby authorized.

CERTIFICATION

I hereby certify that the foregoing Bylaws were duly adopted by the adopted by the required percentage of the Members.

DATED this 19 day of May, 2014.

HAVASU GARDENS ASSOCIATION, INC.

By: David Chambers  
David Chambers, President

ATTEST:

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STATE OF ARIZONA }  
COUNTY OF MOHAVE } ss.

This instrument was acknowledged before me this 19 day of May, 2014, by David Chambers  
in presence whereof I herewith set my hand and official seal

Michelle Lynn Billings NOTARY PUBLIC

