

AMENDED AND RESTATED
BYLAWS
OF
THE ENCLAVE IN FLAGSTAFF
HOMEOWNERS ASSOCIATION, INC.
Adopted by the membership 6/20/2013

ARTICLE 1
DEFINITIONS

Unless context otherwise specifies, the words and phrases used in these Bylaws shall have the same meaning as those set forth in the Amended and Restated Declaration of Covenants, Conditions, and Restrictions (the "Declaration") recorded in the Office of the County Recorder for Coconino County, Arizona at Docket 3636869 Pages 1-70.

ARTICLE II
MEETING OF MEMBERS

Section 1. Meeting of Members. Meetings of the members may be held at a time and place determined by the Board of Directors ("Board") and stated in the notice of the meetings.

Section 2. Annual Meeting. The annual meeting of the members shall be held during the month of June of each year, on a date and at a time established by the Board. At each annual meeting, the members entitled to vote shall elect members to the Board and transact any other business which is brought before the members. As used in these Bylaws, "member entitled to vote" shall mean the individual entitled to exercise such right in accordance with Article 2 of the Declaration.

Section 3. Changes in Meeting Dates or Times. Any change in the time or place of a meeting of members shall be made at least ten (10) days prior to the date on which the meeting was originally scheduled to be held: In the event of any change in the time or place of any meeting of the members, notice thereof shall be given to the members in writing.

Section 4. Member Voting. All elections for directors and all other business shall be decided by majority vote except as otherwise provided for in the Articles of Incorporation or the Declaration.

4.1. Voting. At all meetings of members, each member may vote in person or by written absentee ballot returned to the Secretary

4.3 Ballots for the Election of Directors. The vote for the election of directors shall be by secret ballot.

Section 5. Quorum. Except as otherwise required in the Declaration, for there to be a quorum present at any meeting of the members one-fourth (1/4th) of the members entitled to vote at such meeting, must be present in person or by absentee ballot. In the event a quorum is not present, another meeting may be called, without notice, by an announcement at the meeting. The required quorum at any adjourned meeting shall be one-half of the required quorum at the first meeting. No such subsequent meeting shall be held more than sixty (60) days following the original meeting. Any business may be transacted at any adjourned meeting which might have been transacted at the originally noticed meeting.

Section 6. Special Meetings. Special meetings of the members may be called at any time by the president, the Board or upon the written request of one-fourth (1/4th) of the members who are entitled to vote at such meeting. No business other than that stated in the notice shall be transacted at any special meeting.

Section 7. Notice of Meetings. Notice of the annual or special meetings of the Association shall be mailed by the Secretary. The notice shall state the place and time (and purpose as to any special meeting) of the meeting and shall be given to each member no fewer than ten (10) nor greater than fifty (50) days before the meeting. The notice shall include an agenda and absentee ballots for the election of directors, if applicable, and any other action to be taken at such meeting requiring a vote of the membership. Notices shall be addressed to each member at his/her address as it appears on the records of the Association. Notice shall be deemed given if deposited in the United States mail, first class, postage prepaid.

ARTICLE III BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Composition of Board of Directors. The Board of Directors shall be comprised of not less than three (3) directors nor more than seven (7) directors as determined from time to time by the directors; provided that there shall always be an uneven number of directors elected by the members. The members of the Board of Directors must all be members of the Association.

Section 2. Terms. All Board terms shall be for three (3) years. In the event the number of directors is increased above three, the terms of these directors shall be staggered pursuant to a plan adopted by the Board of Directors.

Section 3. Removal of Directors. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association.

Section 4. Absence from Meetings. In the event any member of the Board of Directors of the Association is absent from two consecutive meetings in a calendar year without good cause, the Board may declare the office of the absent director vacant.

Section 5. Vacancies. Any vacancy on the Board of Directors shall be filled by a vote by the Board of Directors. Any director appointed by the Board shall serve for the

unexpired term of his/her predecessor except as to any vacancy resulting from an increase in the number of directors in which case such director shall serve until the next annual meeting of the members.

Section 6. Compensation of Directors. 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/her duties.

ARTICLE IV NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nominations. As to any director positions to be elected by the members, the Board will call for nominations and candidates for such Board positions from the membership. Nominations and candidates shall be received by the Secretary within a time frame established by the Board and the names of the qualified nominees and candidates shall be placed on the ballot. Nominations are not allowed from the floor during the annual meeting. Members can be entitled to vote for write-in candidates only if there is an insufficient number of candidates.

Section 2. Election to the Board. Election to the Board shall be made by secret written ballot. At such election, the members in person or by absentee ballot may cast one vote for each vacant directorship. The person(s) receiving the largest number of votes shall be elected to fill the number of vacancies. Cumulative voting is not permitted.

ARTICLE V MEETINGS OF DIRECTORS

Section 1. Regular Meetings of the Board. Regular meetings of the Board shall be held at least semi-annually. Each newly elected Board shall hold its first regular meeting within seven (7) days after the annual meeting of the members. The first order of business at this meeting shall be to appoint, from among the elected directors, a President, Vice-President, Secretary, and Treasurer. Additional meetings may be called by the President if desired or necessary to conduct the business of the Association .

Section 2. Special Meetings of the Directors. Special meetings of the Board of Directors shall be held when called by the President, Vice-President, or by two (2) directors after three (3) days' notice to each director.

Section 3. Special Meeting to Adopt a Budget. The Board shall meet prior to the end of the fiscal year of the Association for the purpose of adopting a budget and determining the annual lot assessment for the next ensuing year. Thirty (30) days' written notice of this meeting shall be given to all directors.

Section 4. 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.

Section 5. Waiver of Notice. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or whenever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the directors not present signs a written Waiver of Notice, a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the Association's records and made a part of the minutes of the meeting.

Section 6. Action Without a Meeting. The Directors 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 (including email) of all the directors. Any action so approved shall be included in the minutes filed with the Association records reflecting the action taken and shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers of the Board of Directors. The Board of Directors shall have all the powers of a board of directors of an Arizona non-profit corporation allowed by law, subject only to those limitations which are expressly set forth in the Association's Articles of Incorporation, these Bylaws, and the Declaration and statute. The Board has the power to do any and all lawful acts which may be authorized by statute, the Articles, these Bylaws, and the Declaration, and any acts which may be necessary or incidental to the exercise of any of the express powers of the Association.

1.1 The Board has the power to, without limitation:

(a) adopt and publish rules and regulations governing the use of any of the Property, and the personal conduct of the members and their guests thereon, and to establish penalties for the infractions thereof;

(b) suspend the voting rights of a member pursuant to Section 2.10 of the Declaration.

(c) declare the office of a member of the Board vacant in the event such member is absent from two consecutive regular meetings of the Board per calendar year without good cause;

(d) appoint all officers and employ any agents, independent contractors, and employees of the Association, prescribe their duties, fix their compensation, and require them to obtain such securities or fidelity bonds as it may deem expedient; and

(e) make payments out of the Association's funds to meet the operating expenses of the Association.

1.2 No member of the Board of Directors shall be personally liable to any member of the Association or his/her assigns for any damage, loss, or prejudice suffered or claimed on account of any act or omission of the Association, its representatives or employees provided that such Board member has, upon the basis of such information as may be possessed by him, acted in good faith.

Section 2. Duties of the Board of Directors. The Board of Directors has the duty to, without limitation:

- (a) prepare the annual operating budget for the Association and determine the amount of the annual assessment for the next fiscal year in accordance with Article 3 of the Declaration;
- (b) maintain a record of all actions taken by the Board, and present a summary thereof at the annual meeting of the Association;
- (c) supervise all officers, agents, and employees of the Association;
- (d) establish annual assessments based upon an operating budget adopted by the Board and collect such assessments due from the owners in a timely manner;
- (e) promulgate Rules and Regulations pertaining to the use of the Property, as may be deemed proper and which are consistent with these Bylaws and the Declaration; and,
- (f) enforce the obligations of the owners and do everything necessary and proper for the sound management of the Association, including but not limited to bringing or defending lawsuits to enforce the provisions of the Declaration, these Bylaws, the Articles of Incorporation, and the Rules and Regulations of the Association.

2.1 Enforcement Procedures. After notice and an opportunity for a hearing, the Board may impose fines and penalties on an owner for violations of the provisions of the Declaration, Bylaws, Rules and Regulations, and Articles of Incorporation of the Association in accordance with the guidelines and violation and fine schedules as adopted from time to time by the Board.

(a) Hearing. Any hearing regarding an enforcement action shall be held in executive session pursuant to notice, affording the Member a reasonable opportunity to be heard. Proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered into the minutes by the person who mailed or delivered such notice. Any objection to the validity of the notice shall be deemed waived if the alleged violator appears at the meeting except for the sole purpose of objecting to such notice. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanctions, if any, imposed.

2.2 Collection of Dues and Assessments. The Association shall:

- (a) prepare a roster of the owners of the lots and the assessments applicable thereto and keep such roster in the office of the Association;
- (b) at least once every year send written notice to each owner of fines, penalties or assessments which are due to the Association; and
- (c) issue, upon demand by any member, a statement setting forth whether the dues or assessments from that owner have been paid. The Association shall be entitled to charge a reasonable fee for providing such statement.

ARTICLE VII COMMITTEES

Section 1. Formation of Committees. The Board, may from time to time appoint members to serve on any committees formed by the Board and remove members therefrom. Each committee shall have not less than three (3) persons serving thereon.

Section 2. Reports of Committees. All committees shall report their activities to the directors as and when required by the Board; but in no event less often than annually before the annual meeting of members of the Association.

Section 3. Ex Officio Members of the Committees. The President shall be an ex officio member of all committees. Other ex officio members may be appointed by the Board.

Section 4. Budget Committee. The Treasurer shall be the Chair Officio of the Budget Committee. The Budget Committee shall prepare and submit to the Board a proposed budget showing receipts, disbursements, and reserves of the Association, together with a proposed annual assessment for the ensuing year. Such proposed budget and annual assessment shall be submitted to the members together with the notice of the annual meeting.

ARTICLE VIII OFFICERS AND MANAGING AGENT

Section 7.1 Officers. The officers of the Association shall be a President, one (1) or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority to perform the duties prescribed, from time to time, by the Board of Directors. All officers of the Association must be Members in good standing of the Association. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 7.2 Election and Term of Office. The officers of the Association shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and qualified.

Section 7.3 Removal or Disqualification. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby. Any officer who ceases to be a member of the Association or who ceases to be in good standing shall be automatically removed from office.

Section 7.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 7.5 President. The President shall be the principal executive officer of the Association and shall, in general, supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the Members and of the Board of Directors. The President may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any deeds, leases, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by the Declaration, these Bylaws or by statute to some other officer or agent of the Association.

Section 7.6 Vice President. In the absence of the President or in the event of the President's inability or refusal to act, the Vice President (or in the event there be more than one (1) Vice President, the Vice Presidents in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be delegated or assigned by the President or by the Board of Directors.

Section 7.7 Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws; and, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be delegated or assigned by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give, at the Association's expense, a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Section 7.8 Secretary. The Secretary shall keep the minutes of the meetings of the Members and of the Board of Directors in one (1) or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the Association records; keep a register of the post-office addresses of each Member which shall be furnished to the Secretary by such Member; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be delegated or assigned by the President or by the Board of Directors.

Section 7.9 Assistant Treasurers and Secretaries. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or Board of Directors. If required by the Board of Directors, the Assistant Treasurers shall give, at the Association's expense, bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

Section 7.10 Compensation. No officer shall receive any compensation from the Association for acting as such. However, any officer may be reimbursed for his or her actual expenses incurred in the performance of his or her duties. Nothing contained herein shall be construed to preclude an officer from serving the Association in any other capacity, and receiving compensation therefor.

Section 7.11 Managing Agent. The Board of Directors may hire a Managing Agent at a compensation established by the Board of Directors. The Managing Agent may either be an employee of the Association, an independent professional management company, or an independent contractor. The Managing Agent shall perform such duties and services as the Board of Directors shall authorize. The Board of Directors may, but is not obligated to, delegate to the Managing Agent all of the powers granted to the Board of Directors or the officers of the Association by these Bylaws; provided, however, that the following powers may not be delegated to the Managing Agent:

- (A) To adopt the annual budget, any amendment thereto or to levy Assessments;
- (B) To adopt, repeal or amend Association Rules;
- (C) To designate signatories on Association bank accounts;
- (D) To borrow or lend money on behalf of the Association;

Section 7.12 Management Agreement. Any contract with the Managing Agent must provide that it may be terminated with or without cause and without payment of any penalty or termination fee on no more than thirty (30) days written notice. The term of any such contract may not exceed one (1) year.

ARTICLE IX MISCELLANEOUS

Section 1. Fiscal Year. Unless changed by the Board, the fiscal year of the Association shall be from January 1 through December 31 of each year.

Section 2. Signatures on Association Indebtedness. All checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Association shall be signed by the President or the Treasurer.

Section 3. Notices.

3.1 Any notice required by these Bylaws to be given shall be in compliance with these Bylaws if in writing and delivered to the person intended by hand or deposited in the United States mail.

3.2 When any notice is required to be given under the provisions of the Articles of Incorporation or these Bylaws, a waiver of that notice, in writing, signed by the person or persons entitled to that notice, whether before or after the time of the meeting stated therein, shall be the equivalent of delivery or timely notice to such person.

ARTICLE X
AMENDMENTS

Section 1. Amendment to Bylaws. These Bylaws may be amended at any regular or special meeting of the Association by a vote of the majority of the members present at a duly held meeting at which a quorum is present, provided that all amendments are consistent with the Declaration and Articles of Incorporation of the Association.

Section 2. Conflicts in Documents. In the event of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the event of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control.


IN WITNESS WHEREOF, the duly authorized officers of the Association have executed these Amended and Restated Bylaws this 20th day of JUNE, 2013 certifying the approval hereof by a majority of the members of the Association present at a meeting of the members held June 20, 2013

THE ENCLAVE IN FLAGSTAFF HOMEOWNERS ASSOCIATION, INC.

By: 
Its: President

ATTEST:

THE ENCLAVE IN FLAGSTAFF HOMEOWNERS ASSOCIATION, INC.

By: 
Its: Vice President

By: 
Its: Treasurer/Secretary