

**AMENDED AND RESTATED BYLAWS  
OF  
THE KNOLLS PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE I**

Recitals and Definitions

1. These Amended and Restated Bylaws of the Knolls Property Owners Association, Inc. shall supersede and replace, in their entirety, all previous versions of Bylaws for the Knolls Property Owners Association, Inc.
2. This corporation has been formed pursuant to the non-profit corporation laws of the State of Arizona.
3. The specific and primary purposes of this corporation are as set forth in Article IV of the Articles of Incorporation.
4. The corporation is hereby referred to as the "Association".
5. The term "development" shall mean all of the real property within the boundaries of that certain real estate development in Gila County, Arizona and commonly known as The Knolls.
6. The property which the Association owns and maintains is that described in the Declaration of Covenants, Conditions and Restrictions for the Knolls ("Declaration"), as from time to time amended.
7. The term "lot" shall mean any lot designated on the duly recorded subdivision map of The Knolls.
8. The term "owner" shall mean the person or entity owning or holding the legal or equitable title to a lot, which term shall include, but not be limited to, purchasers under a purchase contract.
9. The term "Common Area" shall mean and include collectively all real property and improvements located thereon conveyed to the Association, if any, or otherwise maintained by the Association.

10. The term "member" as used herein, shall mean a member of this Association in good standing whose rights under these Bylaws are not suspended.
11. The term "Board" shall mean the duly elected and acting Board of Directors of the Association.
12. The terms "person" or "entity" shall mean and include any individual, corporation, partnership, association or other legal entity recognized by the laws of the State of Arizona.

## **ARTICLE II**

### Principal Offices

The principal offices of the Association shall be located in such place in Gila County, Arizona, as the Board of Directors shall from time to time designate by resolution.

## **ARTICLE III**

### Membership

1. Each owner of a lot within the development shall be a member of the Association.
2. Each owner who is a member shall remain a member until he/she no longer qualifies as such under Article III, Section 1, above.
3. The Board may provide for the issuance of certificates evidencing membership in the Association which shall be in such form as determined by the Board. The name and address of each member shall be entered into a membership register maintained by the Secretary.
4. If more than one person owns a lot, all of said persons shall be deemed one member, with only one person being recognized as a voting member.
5. The Secretary shall have the right to demand proof of lot ownership prior to accepting a person or entity as a member.

## **ARTICLE IV**

## Membership Voting

1. Each member of the Association shall have one vote for each lot owned. When more than one person holds an interest in any lot, only one (1) person shall be the member. Such persons holding an interest shall designate the person to be the member and give written notice thereof to the Association. The vote for such lot may be exercised as the owners among themselves determine, but in no event shall more than one vote be cast with respect to any lot. The votes for such lot must be cast as a unit, and fractional votes shall not be allowed. In the event the joint owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any owner or owners cast a vote representing a certain lot, it will thereafter be conclusively presumed for all purposes that he/she or they were acting with the authority and consent of all other owners of the same lot. In the event more than one vote is cast for a particular lot, none of said votes shall be counted and said votes shall be deemed void.
2. Any member may attend and vote at meetings of the members, or may cast his/her ballot as the case may be, in person or by absentee ballot.
3. Any matter or issue requiring the vote of the members may be submitted for vote by written ballot, without a meeting of the members. The determination to conduct a vote in this fashion shall be made by a majority of the Board or by members having one-third (1/3) of the total votes of the membership in the Association signing a written request and delivering same to the Secretary. In the event of such a vote, the Board shall give written notice thereof specifying the time and place where the ballots are to be cast and the question or questions to be voted upon. Such notice shall then be mailed to the members at least 10 days prior to the date that the ballots should be received and counted and shall include the form of ballot to be used. A quorum shall be deemed to have been present for purposes of the vote if members having a majority of the total votes cast ballots in any such election. Upon tabulation of the ballots, the Board shall notify the members of the outcome of the election. If insufficient votes to constitute a quorum are cast, the Board shall notify the members.

## **ARTICLE V**

### Membership Meetings

1. There shall be an annual meeting of the members at such date or time or place as determined by the Board. The meeting of the members shall be at the offices of the Association, at the development, or at such other reasonable place and time within the

County with notice not more than fifty (50) days or less than ten (10) days before such meeting date, as may be designated by notice of the Board.

2. Special meetings of the members may be called at any time to consider any reasonable business of the Association. Said meetings shall be called by notice to the membership signed by a majority of the Board or by members having not less than twenty five percent (25%) of the total votes of the membership, and mailed to the members not less than ten (10) days or not more than fifty (50)) days prior to the date fixed for said meeting. In addition to mailing the notice, said notice may be included in a newspaper or circular, shall specify the date, time and place for a meeting and the matters to be considered thereat. The place for such special meetings shall be at the offices of the Association, at the development or at such other reasonable place within the County as designated by the persons calling the same.
3. For any meeting of the Members, the Board may fix a date as the record date for determining the Members entitled to notice of the meeting. If the Board fails to fix a record date for any meeting of the Members, the record date for determining the Members entitled to notice of the meeting shall be the business day before the day on which the notice of the meeting is given. For any meeting of the Members, the Board of Directors may fix a date not more than fifty (50) days before the date of the meeting, as a record date for the determination of the Members entitled to vote at the meeting. If the record date has not been fixed in advance of a meeting as provided herein, the time of commencement of such meeting shall be deemed the record date for purposes of determining the Members entitled to vote at the meeting.
4. Notice of annual and special meetings of the Members shall be given by the Board of Directors to Members, not less than ten (10) nor more than fifty (50) days before the date of the meeting. Notice shall be hand-delivered or sent prepaid by United States mail to the mailing address for each Lot or Owner or to any other mailing address designated in writing by a Member, or may be sent via any other method of delivery that may be permitted by Arizona law. The notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called. Any Member may waive notice of any meeting before, during or after the meeting. Attendance by a Member at any meeting shall be deemed to be a waiver of notice by that Member.
5. The presence at any meeting, in person or by absentee ballot, of members having at least 10% of the votes in the Association shall constitute a quorum. If a quorum is not met at a meeting, such meeting shall be adjourned to a time not less than 48 hours, nor more than sixty (60) days after the time the original meeting was called. At an adjourned meeting, the quorum requirements shall be one-half of that required for the initially called meeting.

6. Unless otherwise provided in these Bylaws or in the Declaration, a vote of the majority of the votes cast shall prevail with respect to any issue presented to a membership. All issues presented at any annual or special meeting for a vote by the Members shall be voted upon in writing. Members shall have the opportunity to vote in person at the meeting or by absentee ballot. The Board shall also have the discretion to allow Members to vote by some other form of delivery, including but not limited to the use of an electronic voting system pursuant to A.R.S. § 10-3708. Written ballots shall only be in the form selected and made available by the Board. Except for the ballot for the election of directors, the form of written ballot shall provide Owners with the opportunity to vote for or against each matter or group of matters to be acted upon. If the Association utilizes an electronic voting system, then the Member's assigned digital key code shall constitute the Member's signature for purposes of A.R.S. § 33-1812.
7. Pursuant to Arizona Revised Statutes § 10-3704, as amended from time to time, the Members may approve any action required or permitted by law that requires the Members' approval without a meeting of the Members if the action is approved in writing by Members holding at least a majority of the voting power in the Association, unless the Declaration, Articles, these Bylaws or applicable law require a different amount of voting power. The action shall be evidenced by one (1) or more written consents describing the action taken, signed by those Members representing at least the requisite amount of the voting power, and delivered to the Association for inclusion in the minutes or filing with the corporate records of the Association.

## **ARTICLE VI**

### Membership Rights

Subject to the provisions hereof, the provisions of the Declaration, the members shall have the following rights:

1. Each member shall be entitled to the use and enjoyment of all Common Area within the Development.
2. Each member shall have the right to designate members of his or her family who reside with the member who may use and enjoy the Common Area within the Development.
3. The invitees and guests of a member shall have the right to use and enjoy the Common Area within the Development to the extent the Common Area permits, as determined by the Board.

4. The right of use and enjoyment hereunder, shall at all times be subject to all existing published rules and regulations promulgated by the Board, and shall at all times be subject to the Declaration. In the event of a conflict, the Declaration shall prevail. The Board shall have the right to suspend the use and enjoyment of any Common Area for the failure of a person to comply with such rules and regulations and said lease and Declaration, provided, however, that such suspension shall only be imposed after such person has been notified in writing and has been offered a reasonable opportunity to be heard.

## **ARTICLE VII**

### Board of Directors

1. The corporate powers of the Association are vested in and shall be exercised by the Board consisting of five (5) directors, all of whom must be members of the Association. If an owner is a partnership, corporation or limited liability company, the partners, officers or managers/members of the limited liability company, or their designees, are eligible for election to the Board.
2. At each annual meeting of the Members, Directors shall be elected to fill the seats of those Directors whose terms have expired. Prior to each annual meeting of the Members, the Board shall prescribe the opening and closing dates of a reasonable filing period in which all eligible persons who have an interest in serving as a director may file as a candidate for such position. The Board may establish such other rules and regulations, as it deems appropriate to conduct the nomination of directors in a fair, efficient and cost-effective manner.
3. Any vote taken for the election of directors shall be by secret written ballot in a form prescribed by the Board. Each member may cumulate his votes and give one or more candidates for Director a number of votes equal to the number which such member has hereunder multiplied by the number of Directors to be elected. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be elected.
4. At the first membership meeting following adoption of these Amended and Restated Bylaws, the three candidates who receive the highest number of votes shall be elected for two-year terms, and the two candidates who receive the next highest number of votes shall be elected for one-year terms. As the foregoing terms expire, each new Director shall be elected to serve a two-year term to preserve the staggered terms.

Directors shall serve until their respective successors are elected, or until their death, resignation or removal, whichever is the earlier. Vacancies on the Board shall be filled by a majority vote of the remaining Directors though less than a quorum, and each Director so appointed by the remaining Directors shall hold office until the expiration of the original term for which he or she was appointed.

## **ARTICLE VIII**

### Board Meetings

1. Regular meetings of the Board shall be held at such time and place as the Board shall determine. A regular meeting of the Board shall be held each year following the annual meeting of the membership. Notice to Directors of regular meetings shall be delivered by telephone, mail, e-mail, or facsimile to each Director not less than forty-eight (48) hours prior to the meeting. Notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting. Notice to Members of regular meetings of the Board shall be given 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, including but limited to e-mail.
2. Special meetings of the Board shall be held when called by any officer of the Association, or by any two (2) Directors, after not less than forty eight hours prior written notice is provided to members by newsletter, conspicuous posting or any other reasonable means as determined by the Board, including but not limited to e-mail, unless emergency circumstances necessitate a meeting before forty-eight (48) hours' notice can be given. Notice to Directors of special meetings shall state the time, place and purpose of the meeting. Special meetings of the Board shall be held at such time and place as the Board shall determine.
3. Meetings Open to Members. Regular and special meetings of the Board are open to all Members in accordance with A.R.S. § 33-1804 and may be closed only to the extent permitted by law.
4. A majority of the Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board there be less than a quorum present, a majority of those Directors present may adjourn the meeting from time to time. No business of the Board shall be transacted at any meeting of the Board unless a quorum is present. Every act or decision done or made by a majority of the Directors at a duly held meeting at which a quorum is present shall be regarded as the act of the Board unless the Articles, the Bylaws or the Declaration otherwise specifically requires the affirmative vote of a different number of Directors on a specific matter.

5. Meetings of the Board, whether regular or special, may be held by means of a conference telephone call if a speakerphone is available in the meeting room that allows all parties attending to hear all parties who are speaking during the meeting, and/or may be held via Zoom, Go-To-Meeting, or other similar electronic or online platform that enables participants to hear all parties who are speaking during the meeting
6. At any meeting of the Board of Directors, a Board member may vote in person or by proxy pursuant to Arizona Revised Statutes § 10-3824, as may be amended
7. The Directors shall have the right, pursuant to Arizona law, including, but not limited to, Arizona Revised Statutes§ 10-3821, as amended from time to time, to take any action in the absence of a meeting which they could take at a meeting by obtaining from the Directors a unanimous written consent to resolutions specifying the action.

## **ARTICLE IX**

### Duties and Powers of the Board

1. To exercise all power vested in the Board under the Articles of Incorporation, these Bylaws, the Declaration, and under the laws of the State of Arizona.
2. To appoint and remove all officers of the Association as it sees fit.
3. To appoint such agents and employ such employees, including attorneys and accountants, as it sees fit to assist in the operations of the Association, and to fix their duties and establish their compensation.
4. Subject to the provisions of the Declaration, to adopt and establish rules and regulations governing the use of the Common Area, and to take such steps as it deems necessary for the enforcement of such rules and regulations.
5. To enforce all applicable provisions of the Declaration, these Bylaws, and all other regulations relating to the control management and use of the Common Area within the Development.
6. Contract and pay premiums for casualty, liability and other insurance and bonds (including indemnity bonds) which may be required from time to time by the Association.



7. Contract for and pay for maintenance, landscaping, utilities, materials, supplies, labor and services that may be required from time to time in relation to Association property, and the Common Area within the Development.
8. Pay all taxes, special assessments and other assessments and charges which are or would become a lien on Association owned or maintained property.
9. To contract for and pay for construction or reconstruction of Association property damaged or destroyed.
10. If and when the Board deems it appropriate, to delegate its duties and powers hereunder to the officers of the Association.
11. To establish, in accordance with the Declaration, and thereafter levy assessments on the members of the Association and to collect same all in accordance with the Declaration; provided, no annual assessment shall exceed that provided for in the Declaration and no special assessment may be set without a vote of the Association as provided for in the Declaration. The Board shall also have the power to collect reasonable use charges for the use of any or all of the Common Area.
12. To appoint such other committees as it deems necessary from time to time in connection with the affairs of the Association.
13. To appoint members to the Architectural Control Committee.

## **ARTICLE X**

### Officers

1. The officers of the Association shall be members of the Association and shall consist of a President, Vice President, Secretary and Treasurer. If a member is a partnership, corporation, or limited liability company, then the member's employees, partners or managers/members shall qualify to be officers. The Association may also have, at the discretion of the Board, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of this Article. One person may hold two or more offices, except that the offices of President and Secretary shall not be held by the same person.

2. The officers of the Association, except such officers as may be appointed in accordance with the provisions of paragraphs 3 and 5 following, shall be chosen annually by the Board at the first meeting of the Board following the annual meeting, and each shall hold office until the subsequent annual meeting, or until he/she shall resigns or is removed or otherwise disqualified to serve, or his/her successor is elected and qualified.
3. The Board may appoint, and may empower the President to appoint, 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 are provided for in these Bylaws or as the Board may from time to time determine.
4. Any officer may be removed, either with or without cause, by the Board or by any officer upon whom such power of removal may be conferred by the Board; provided, however, that no such officer shall remove an officer chosen by the Board. Any officer may resign at any time by giving written notice to the Board or to the President or to the Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later times specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
5. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.
6. The President shall be elected by the Board from among the Directors. He/she shall be the chief executive officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the affairs and officers of the Association. He/she shall preside at all meetings of management and shall have the powers usually vested in the office of President of a corporation, together with such other powers and duties as may be prescribed by the Board or these Bylaws.
7. The Vice President shall be elected by the Board from among the Directors. In the absence of the President, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of and be subject to all the Declaration upon the President. He/she shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or these Bylaws.
8. The Secretary need not be a Director, but shall be elected by the Board of Directors. He/she shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings of Directors and members, with the time

and place of holding same, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, the number of members present in person or by proxy at members' meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, appropriate current records showing the members of the Association, together with their addresses. He/she shall give, or cause to be given, notice of all meetings of the Board required by the Bylaws or by law to be given, , and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

9. The Treasurer need not be a Director, but shall be elected by the Board of Directors. He/she shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts and disbursements. The books of account shall at all reasonable times be open to inspection by any Director or member. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. He/she shall disburse the funds of the Association as may be ordered by the Board, shall render to the President and Directors, whenever they request it, an accounting of all of his/her transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

## **ARTICLE XI**

### Miscellaneous

1. All books, records and papers of the Association shall at all times during reasonable business hours be subject to the inspection of any member at the offices of the Association. The Association shall comply with A.R.S. § 33-1805 with respect to the availability of the Association's official records, which shall include the following, whether kept in paper or electronic form:
  - Governing Documents include the Articles of Incorporation, Bylaws, CC&Rs, Rules and Regulations, Architectural Guidelines, and all amendments thereto
  - Financial records including checks, bank records and invoices
  - Annual Reports
  - Contracts with third parties
  - Official minutes of Special and Annual Meetings of the Board and of Members
  - Resolutions adopted by the Board
  - Official communications to or from the Board and/or any Committee of the Association
  - The names and addresses of current Owners and occupants of the Lots

- Individual Lot files

Personal notes, individual letters and memos, e-mails by and between directors, officers, and owners/members, and other writings of individual Board or Committee members made by them, for their personal use and purposes, and which by their nature are not intended or represented to be for the use, or official business of the Association, shall not be considered as records of the Association, nor will they be kept, or stored with Association records.

2. The Board may, from time to time, employ the services of a manager to manage the affairs of the Association, and to the extent not inconsistent with the laws of the State of Arizona, and upon such conditions as are otherwise deemed advisable by the Board, the Board may delegate to the manager any of its powers under these Bylaws and the Declaration.
3. These Bylaws may only be amended or repealed, and new Bylaws adopted by a majority vote of the Board of Directors. No such amendment shall be inconsistent with the Declaration as same may be modified or amended from time to time.
4. Any notice or other document permitted or required to be delivered as provided herein may be delivered either personally or by mail, email, or facsimile, unless otherwise provided by Arizona law. If delivery is made by mail, it shall be deemed to have been delivered forty-eight (48) hours after a copy of same has been deposited in the United States Mail, postage prepaid, to the last known address of the addressee.
5. The fiscal year of the Association shall be from July 1<sup>st</sup> through June 30<sup>th</sup> of each year.

### **CERTIFICATION**

The Secretary of the Association hereby certifies that the foregoing Amended and Restated Bylaws were approved by the members, by two-thirds (2/3) of the votes cast by Members, or a majority of the voting power in the Association, whichever is less.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

### **THE KNOLLS PROPERTY OWNERS ASSOCIATION**

By: \_\_\_\_\_

Its: Secretary