

AMENDED BYLAWS OF THE
MISSION HILLS PROPERTY OWNERS ASSOCIATION

The following are the Amended Bylaws (the "Bylaws") of the Mission Hills Property Owners Association, an Arizona non profit corporation (the "Association") established pursuant to that certain Declaration of Covenants, Conditions and Restrictions for Mission Hills Subdivision recorded on June 14, 1989, at Book 2157, Page 160 in the official records of Yavapai County, Arizona, as may be amended from time to time (the "Declaration"), this first amended Bylaws, effective 2/19/2026 pursuant to a vote of the Members. Capitalized words or phrases used in these Bylaws shall have the same meaning given them in the Declaration unless they are otherwise expressly defined herein.

ARTICLE 1. MEMBERSHIP: REGISTER.

1.1 Membership. All Owners, and only Owners, shall be members of the Association ("Members"). Corporations, partnerships, associations, and other legal entities, trustees under an express trust, and other fiduciaries, as well as natural persons may be Members. Owners of a Lot as joint tenants, tenants in common, community property, or other ownership involving more than one person sharing ownership, shall be joint Members, but the sum total of their voting power shall not exceed the percentage of interest appurtenant to the lot owned.

1.2 Register of Members. The Board shall cause a register to be kept containing the names and addresses of all Members. Persons who purchase an interest in a lot shall promptly inform the Board of their interest. Persons who claim to be Members shall, upon request, furnish the Board with copies of any documents under which they assert ownership of a lot or any interest therein, and any Mortgages thereon.

ARTICLE 2. MEETINGS OF MEMBERS: VOTING.

2.1 Place. Meetings of Members shall be held at least once each year at such a suitable place as may be convenient to the membership and designated from time to time by the Board.

2.2 Annual Meeting. The annual meeting of the Association shall be held in the first quarter of each fiscal year, on a date fixed by the Board. Notice of annual meetings shall be given not fewer than 10 nor more than 50 days before each meeting. At such an annual meeting there shall be a financial report, presentation of a budget summary for the current year, and Members shall, subject to the provisions of Article 3.1 below, elect Members to the Board or fill vacancies therein. Such other business as shall properly come before the meeting may also be transacted.

2.3 Special Meetings. The President may, upon his own initiative, call a special meeting of the Association. It shall be the duty of the President to call a special meeting of the

Association as directed by a petition in writing by 10% or more of the Members. A meeting called at the request of the Members shall be held at such time as the President may fix, which time shall not be less than 10 nor more than 30 days after the receipt of the written request therefor. No business shall be transacted at a special meeting except as stated in the notice given therefor unless consented to by 80% of the Members, whether present in person or by written consent.

2.4 Notice of Meetings. It shall be the duty of the Secretary to give notice of each annual and special meeting, stating the purpose thereof and the time and place where it is to be held, to each Member and to each Mortgagee that has requested notice, all in the manner provided in the Declaration. Any notice of a special meeting shall also state the items on the agenda, including the general nature of any proposed amendment to the Declaration, the Articles or Bylaws, any budget changes, and any proposal to remove a director or officer. Before or after any meeting of the Association, any Member may, in writing, waive notice of such meeting. Attendance of a Member at a meeting of the Association shall be a waiver by him of timely and adequate notice unless he expressly challenges the notice when the meeting begins.

2.5 Quorum. The presence in person or by election ballot of Members holding 51% of the total voting power eligible to vote shall constitute a quorum for the transaction of business at any meeting of Members.

2.6 Voting. The total voting power for all Members combined shall equal the number of Lots subject to the Declaration and each Lot shall have one vote as set forth in the Declaration. A Member who owns more than one Lot shall have the votes appertaining to each Lot owned. Any fraction or percentage of Members specified herein means that fraction or percentage of votes in the Association (irrespective of the total number of Members) entitled to be cast with respect to a particular matter.

2.7 Joint Owner Disputes. Every vote must be cast as a single vote. Fractional votes shall not be allowed. If only one of the multiple owners of a Lot is present (in person or by election ballot) at a meeting of the Association, he is entitled to cast the vote or votes allocated to that Lot. If more than one of the multiple owners of a Lot are present (in person or by election ballot), the vote or votes allocated to the Lot may be cast only if the owners of the Lot who are present (in person or by election ballot) unanimously agree upon the manner in which the vote or votes are to be cast. An agreement among all owners of a Lot present (in person or by election ballot) at a meeting of the Association shall be presumed if any one of such owners casts the vote or votes allocated to the Lot without protest being made promptly and prior to adjournment of the meeting in person or by election ballot to the person presiding over the meeting by any of the other owners of the Lot. If multiple owners are unable to agree upon the manner in which the vote or votes allocated to their Lot are to be cast, their vote or votes shall not be counted.

2.8 Suspension of Voting Rights. As provided in the Declaration, the Board may (either by general resolution or by separate resolutions applicable to one or more, but fewer than all Members) suspend the voting rights of any Member who is delinquent in paying any assessment or who has violated, either personally or indirectly by the action of guests or invitees, any provisions of the Declaration, the Articles of Incorporation, The Bylaws or any rules and regulations of the Association.

2.9 Persons Under Disability. If otherwise qualified, minors and persons declared legally incompetent shall be eligible for membership in the Association, but shall not be permitted to vote except through a legally appointed, qualified and acting guardian of their estate voting on their behalf, or, in the case of a minor with no legal guardian of his estate, through a parent having custody of the minor.

2.10 Proxies. Arizona Planned Community Statute 33-1812 prohibits votes allocated to any Lot from being cast pursuant to a proxy.

2.11 Adjournment of Meetings. If any meeting of Members cannot be organized for lack of a quorum, the Members present in person may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each Member entitled to vote at the meeting.

2.12 Majority Vote. Except as otherwise provided by statute, by the Declaration, the Articles, or by these Bylaws, passage of any matter submitted to vote at a meeting at which a quorum is present shall require at least 51% of the voting power present and eligible to vote.

2.13 Order of Business. The order of business at meetings of the Association shall be as follows unless otherwise provided on motion:

- a) Call to order
- b) Proof of notice of meeting or waiver of notice
- c) Minutes of preceding meeting
- d) Reports of officers
- e) Reports of committees
- f) Election of directors (at any annual meeting or special meeting called for such purpose
- g) Unfinished business
- h) New business
- i) Adjournment

2.14 Parliamentary Authority. In the event of a dispute, the parliamentary authority for the meetings shall be the most currently available edition of "Robert's Rules of Order" or such other published code of parliamentary procedure as shall be approved by a majority at the meeting.

ARTICLE 3. BOARD OF DIRECTORS.

3.1 Number and Qualifications. The affairs of the Association shall be governed by a Board of no fewer than three nor more than seven directors. Each Board member shall serve until his successor is elected and qualified at the next annual meeting of the Association, or until his resignation or removal from office, whichever is earlier. Each director shall be a Member or the spouse of a Member (or, if a Member is a corporation, partnership or trust, a director may be an officer, partner or beneficiary of such Member). If a director shall cease to meet such qualifications during his term, he will thereupon cease to be a director and his place on the Board shall be deemed vacant.

3.2 Powers and Duties. The Board shall have the powers and duties provided for the Association in the Declaration, and all other powers necessary for the administration of the affairs of the Association, and may do all such acts and things as are not prohibited or required to be done in another manner by the Declaration. The powers and duties of the Board shall be expressly subject to the standards set forth in all applicable laws, regulations and ordinances of any governmental or quasi-governmental body or agency having jurisdiction over the Property. Specifically, the Board shall not have the power to act, without a vote of the Members as provided herein and in the Declaration, to amend the Declaration, to elect members of the Board or to determine the qualifications, powers and duties or terms of office of members of the Board; provided, however, that consistent with Article 3.5 of these Bylaws, the Board may fill vacancies in its membership to serve the balance of an unexpired term.

3.3 Managing Agent. All powers, duties and rights of the Association or the Board, except as limited by law and the Declaration, may be delegated to a managing agent under a management agreement.

3.4 Election and Term of Office. The term of office for directors will begin on the first day of the calendar month following the date of adjournment of the annual meeting at which they are elected. The normal term of office for directors will be for three years and until their successors are elected and take office.

3.5 Vacancies. Vacancies on the Board caused by reasons other than the removal of a director by a vote of the Association shall be filled by a vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each person so selected shall serve as a director until his successor is duly elected and qualified at the next annual meeting of the Association to serve the balance of the unexpired term.

3.6 Removal of Directors. At any regular or special meeting of the Association held promptly after delivery to the President of a petition executed by 10% of the Members calling for the removal from office of one or more directors, any one or more directors may be removed, with or without cause, by the vote of 67% of the total voting power present at the meeting (provided a quorum is present), and a successor may then and there be elected to fill the vacancy thus created and to serve the balance of the unexpired term. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

3.7 Compensation. No compensation shall be paid to directors for their services as directors.

3.8 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each director personally by U.S. mail, overnight courier, telephone, text or email, at least three days before the day fixed for the meeting. Notices given by mail shall be deemed given two business days after deposit in the U.S. mail, properly addressed and postage prepaid. Notices delivered by a recognized overnight courier service shall be deemed given on that day which that service represents will be the day such delivery will be made under normal circumstances. Notices given by telephone, email, text, or personal delivery shall be deemed given immediately upon delivery.

3.09 Special Meetings. Special meetings of the Board may be called by the President on three days notice to each director as provided in Article 3.8, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board shall be called by either the President or Secretary in like manner and on like notice on the written request of any two directors.

3.10 Waiver of Notice. Before or after any meeting of the Board, any director may, in writing, waive notice of such meeting. Attendance by a director at any meeting of the Board shall be a waiver by him of timely and adequate notice unless he expressly challenges the notice when the meeting begins. Subject to the right of challenge set forth in the previous sentence, if all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at the meeting.

3.11 Quorum. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of directors present at a meeting at which a quorum is present shall be the acts of the Board. Unless otherwise prohibited by statute or resolution of the Board, meetings of the Board, whether regular or special, may be held by means of a conference telephone call or similar communications equipment arrangement which allows all persons participating in the meeting to hear simultaneously every other. Participation in any such meeting shall constitute presence in person at the meeting. If there is less than a quorum present at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At the adjourned meeting

any business which might have been transacted at the meeting as originally called may be transacted without further notice.

3.12 Action Taken Without a Meeting. 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 approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

3.13 Open Meeting. Any Member or voting representative may attend any meeting of the Board, but shall not be permitted to participate.

ARTICLE 4. OFFICERS.

4.1 Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board. The directors may appoint such other officers as in their judgment may be necessary or desirable. Two or more offices may be held by the same person, except that a person may not hold the offices of President and Secretary or Treasurer simultaneously.

4.2 Election of Officers. The officers of the Association shall be elected annually by the Board at the first Board meeting after the annual meeting of the Association. Officers shall hold office at the pleasure of the Board and only for so long as they remain Members.

4.3 Removal of Officers. At any regular meeting of the Board or at any special meeting of the Board called for such purpose, upon an affirmative vote of a majority of the members of the Board then in office, whether present at the meeting or not, any officer may be removed, either with or without cause. A successor to the removed officer may be elected at any such meeting.

4.4 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board and shall have all powers and duties usually vested in the office of President.

4.5 Vice President. The Vice President (or, if there shall be more than one, the Vice President who is most senior by title, or, if none, the most senior by time), shall perform the duties of President when the President is absent or unable to act, and shall perform such other duties as may be prescribed by the Board.

4.6 Secretary. The Secretary shall keep the minutes of all meetings of the Board and of the Association, other than financial records kept by the Treasurer. The Secretary shall also perform such other duties as may be prescribed by the Board.

4.7 Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and

disbursements in books belonging to the Association. The Treasurer shall also perform such other duties as may be prescribed by the Board.

4.8 Other Officers and Employees. Other officers of the Association and any persons employed to assist the officers, shall have such authority and shall perform such duties as the Board may prescribe within the provisions of the Declaration and these Bylaws.

4.9 No Compensation. All services provided by any Board Member or Lot Owner are on a unpaid, volunteer basis. No compensation shall be paid.

ARTICLE 5. COMMITTEES.

5.1 Committees of Directors. The Board may appoint one or more committees that consist of one or more directors. Such committees shall have the authority, to the extent provided in the resolution establishing the committee, except that no such committee may exercise the authority of the Board to submit to the Members any matter requiring an act of the Members, to fill vacancies on the Board or on any committee of the Board, or to adopt, amend, or repeal any of these Bylaws. The appointment of any such committee shall not relieve the Board of its ultimate responsibility for the administration and management of the Property.

5.2 Other Committees. Other committees not having or exercising the authority of the Board in the management of the Association may be appointed by the President or the directors, and such committees may be composed of one or more members other than Board members, but at least one member must be a Board member.

ARTICLE 6. OBLIGATION OF LOT OWNERS.

6.1 Annual Assessment. All Members are obligated to pay an annual assessment imposed by the Association to meet Common Expenses as provided in the Declaration. All annual assessments may be payable in 12 equal monthly installments.

6.2 Contribution to Working Capital. A working capital fund has been established in accordance with Section 5.3 of the Declaration.

6.3 Damages to Common Areas. Each Member shall reimburse the Association for any expenditures incurred by or on behalf of the Association for the repair or replacement of any

Common Areas damaged through that Member's fault (whether caused by an act of the Member, his guests, agents, tenants, family members, invitees or licensees).

6.4 Compliance with the Declaration, Bylaws, & Association Rules and Regulations.

Each Member and his guests, agents, tenants, family members, invitees and licensees shall comply strictly with the Declaration, these Bylaws, and with all administrative rules and regulations adopted pursuant thereto, as amended from time to time. Failure of a Member or his guests, agents, tenants, family members, invitees or licensees to comply with any of the foregoing shall subject the Member and others to such consequences as are provided in Section 16 of the Declaration.

ARTICLE 7. HANDLING OF FUNDS.

The Association may maintain such funds or accounts as the Board, in its discretion, shall determine necessary to provide properly for the operation and maintenance of the Property. Overall superintendence of these funds shall be the responsibility of the Board of Directors of the Association.

ARTICLE 8. RECORDS AND REPORTS.

8.1 General. The Board shall cause to be kept complete, detailed and accurate books and records of the receipts and expenditures of the Association, in a form that complies with generally accepted accounting principles. The books and records, authorizations for payment of expenditures and all contracts, documents, papers and other records of the Association shall be available for examination by the Members and First Mortgagees, and the agents or attorneys of either of them, during normal business hours or other reasonable times.

8.2 Financial Reports. The Board shall cause to be issued and presented at the annual meeting or mailed or emailed to all members and to all Mortgagees that request them, within 90 days following the end of each fiscal year of the Association, a financial statement (which may be audited or unaudited as the Board elects) for that fiscal year, which shall include a balance sheet and a statement of operations and a comparison between the actual expenses of operation and the expenses that had been projected for that year. Holders of First Mortgages on Lots may require the submission of additional financial data of the Association as is reasonably required by prudent mortgage loan management.

8.3 Budget Summaries. In accordance with the Declaration and applicable law, the budget for the Association adopted by the Board for the current year will be presented at the annual meeting for the information of the Members. Notwithstanding the foregoing, the Board is expressly authorized to adopt and amend budgets from time to time without the approval of the Members and shall provide a summary of any amended budget not later than 30 days after adoption of the same by the Board.

ARTICLE 9. Amendments.

9.1 Amendment of Bylaws. These Bylaws shall not be amended to contain any provisions that would be contrary to or inconsistent with the Declaration, and any provision of or purported amendment to these Bylaws which is contrary to or inconsistent with the Declaration or Arizona law shall be void to the extent of such inconsistency. Subject to the foregoing restrictions and those restrictions in Article 9.2 hereof, any Member or Members who desire that these Bylaws be amended may propose amendments to the Board. A majority of the Board may cause a proposed amendment to be submitted to the Members for their consideration and the Board must do so when petitioned in writing by 10% or more of the Members. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted by vote of 51% of the Members or by their written consent, after notice has been given to all Persons (including Mortgagees) entitled to receive notice of a meeting of the Association.

9.2 Limitation on Amendment of Bylaws. Notwithstanding the foregoing, any amendment to these Bylaws which would increase the number of Lots, change the boundaries of any Lot, or which would change the uses to which any Lot is restricted may be adopted only with the unanimous consent of the Members and the consent of 51% of all eligible First Mortgagees (based on one vote for each Mortgage owned). All other material amendments of these Bylaws shall require the consent of 67% of the Members and 51% of all eligible First Mortgagees. Material amendments include, without limitation those amending these Bylaws with respect to:

1. Voting rights
2. Assessments, assessment liens or subordinate assessment liens
3. Reserves for maintenance, repair or replacement of common areas
4. Responsibility for maintenance and repair
5. Expansion or contraction of the Property, or the addition, annexation or withdrawal of property to or from the Property
6. Insurance or fidelity bonds
7. Leasing of Lots
8. Imposition on any restrictions on a Members right to sell or transfer his Lot
9. A decision by the Association to establish self-management when professional management had previously been required
10. Restoration or repair of the Property after hazard damage or partial condemnation
11. Any provisions that expressly benefit Mortgagees or Institutional Guarantors

No amendment shall be effective which is in any way inconsistent with the rules, regulations or requirements of an Institutional Guarantor, unless the amendment shall be consented to in writing by such Institutional Guarantor. No amendment shall amend any provisions prohibiting amendments which would render these Bylaws in any way contrary to or inconsistent with the Declaration.

ARTICLE 10. MISCELLANEOUS.

10.1 Execution, Certification and Recordation of Amendments to the Declaration. The President and the Secretary must execute, certify and acknowledge, and, in the case of the Secretary only, attest amendments to the Declaration for the purpose of recording the amendments on behalf of the Association.

10.2 Fiscal Year. The Board may by resolution elect such fiscal year for the Association as it deems to be convenient. Unless another year is adopted and approved by the Board, the fiscal year will be the calendar year.

10.3 Conflict in Documents. In the event of any conflict between the Articles of Incorporation, as amended from time to time, and these Bylaws, as amended from time to time, the Articles shall control. In the event of any conflict between the Declaration, as amended from time to time, and these Bylaws, as amended from time to time, the Declaration shall control.

10.4 Arbitration. Any and all disputes among two or more Owners or other Persons arising out of, under, in connection with or relating to the Property or the Condominium Constituent Documents shall be settled by majority vote of the Board. The Board shall give all parties an opportunity to be heard, and its decision shall be final and binding on each and all such Owners or other Persons.

CERTIFICATE OF ADOPTION

This is to certify that the foregoing Amended Bylaws were duly adopted by the Board of Directors of the Mission Hills Property Owners Association pursuant to a written consent of the Directors dated 2/20/26



Secretary