

BYLAWS

THE VILLAGES AT LYNX CREEK OWNER'S ASSOCIATION, INC.

ARTICLE I

Name and Location

The name of the corporation is The Villages at Lynx Creek Owner's Association, Inc., an Arizona Corporation. The principal office of the corporation is located at 12200 East Highway 69, Dewey, Arizona 86327 or at other locations as may, from time to time, be determined by the Board. Meetings of Members and Directors may be held at places within the State of Arizona, or elsewhere, as designated by the Board of Directors.

ARTICLE II

Purpose

The Articles of Incorporation provide a legal framework for the voluntary organization of The Villages at Lynx Creek Owner's community in which to function. The Declaration of Covenants, Conditions and Restrictions (CC&Rs) prescribe the relationships created, the conditions which pertain to facilitate the successful conduct of these relationships, and the essential restrictions to ensure and protect the integrity, and well being of the community. These bylaws serve to provide the methods and procedures for successfully managing the community.

ARTICLE III

Definitions

Section 1. "Assessment" refers to any obligation of a Lot Owner to pay money as required by the declaration or by the Restrictive Documents and includes both Annual Assessments and Special Assessments.

Section 2. "Association" refers to The Villages at Lynx Creek Owner's Association, Inc. and Arizona Corporation, its successors and assigns.

Section 3. "Common Area" refers to the Property and Improvements owned by the Association for the common use and enjoyment of the Owners as may be reflected on a plat filed from time-to-time in the Yavapai County Recorder's Office.

Section 4. "Common Expense" refers to those items of expense as defined from time-to-time by the Board of Directors. See Article 1.4 of the CC&R's.

Section 5. “**Declaration**” or “**CC&R’s**” refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties as recorded in the Yavapai County Recorder’s Office.

Section 6. “**Improvements**” refers to the buildings, fixtures, roads, roadways, curbs, gutters, storm sewers, underground water and sewer pipes, parking areas, lighting fixtures, fences, walls, hedges, plantings, planted trees and shrubs, landscaping, swimming pool, therapy pool, tennis courts, laundry room, clubhouse, and all other structures, or landscaping, of every type and kind located within the Common Area and includes all utilities within the Common Area or in the areas designated as utility easements.

Section 7. “**Lot**” refers to a numbered plot of land as shown on the recorded Subdivision Map of Properties.

Section 8. “**Management**” refers to the Board of Directors and those designated by it to perform specified management tasks as authorized by the CC&Rs and as may be added under the authority of these Bylaws.

Section 9. “**Member**” refers to those persons entitled to membership in the Association as a Lot Owner provided in the Restrictive Documents.

Section 10. “**Properties or Property**” refers to the real property (including associated easements, hereditments, appurtenances, water rights and mineral rights, if any) described in Exhibit A, and any additions subsequently brought within the jurisdiction of the Association and any Improvements located on the Property at any time.

Section 11. “**Owner**” refers to the Owner of record, whether one or more persons or entitles, of a fee simple title (or, in the case of a purchaser under an agreement for deed, the holder of equitable title), to any Lot which is a part of the Property, including contract sellers, but excluding those holding an interest merely as security for the performance of an obligation.

Section 12. “**Restrictions**” refers to any duty, obligation or restriction imposed on a Lot or on an Owner by law, in the Rules or Regulation of the Association, in these Bylaws of the Association or the CC&Rs, (collectively, the “Restrictive Documents”).

Section 13. “**Rules and Regulations**” refers to those items which are captioned “Rules and Regulations” promulgated by the Board of Directors as authorized by the other Restrictive Documents.

Section 14. “**Quorum**” of the Board is a simple majority of the Board. For membership meetings, a quorum is the number of members present.

ARTICLE IV

Meeting of Members

Section 1. Annual Meetings. The Annual Meeting of the Members shall be held on the second Wednesday of July at the hour of 2:00 PM. If the day for the Annual Meeting of the Members is a holiday, the meeting will be held at the same hour on the first business day following which is not a legal holiday. Unless otherwise stated in the notice of meeting, the Annual Meeting will take place at the Association's place of business. Annual Meetings may be held at a different time or place upon majority vote of the Board of Directors. If the Annual Meeting is to be held at a different time or date then notice shall be sent to all Owners in accordance with the notice provisions contained in these Bylaws.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by any three (3) members of the Board of Directors or upon written request of at least one-tenth of the Members entitled to vote.

Section 3. Notice of Meetings. Written notice of the Annual meeting of the Members shall be given by, or at the direction of, the Secretary or the person authorized to call the meeting, by mailing a copy of the notice at least twenty (20) days before the meeting to each Member in good standing addressed to the member's address last appearing on the books of the Association or supplied by the Member to the Association for the purpose of notice. Notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Voting Rights.

- A. Every Owner of a Lot is a "Member" of the Association. Membership is appurtenant to, and may not be separated from, Ownership of a Lot.
- B. All Members in good standing are entitled to vote in accordance with their Lot Ownership interest. Members not in good standing are those Members who are more than thirty (30) days in arrears in their Association Assessments or whose Membership has been suspended. All voting privileges shall cease upon the sale of a Members Lot(s). Members voting rights are explained in Article V of the CC&R's.
- C. The Board may suspend the voting privileges and other privileges of Members for violation of any of the provisions of the Declaration or of the Association Rules by suspending the violators voting rights, privileges for use of the Common Areas, or by imposing monetary penalties for these violations. Cumulative penalties may be imposed. In addition, the Board may disconnect utilities controlled by the

Association to any Lot if the Owner of that Lot is more than thirty (30) days delinquent in payment of their utility bill, and may assess a reconnection fee. The above "Penalties" are subject to these limitations:

- (1) Prior to the suspension of a Member's Association privileges or utility services, the Member must be notified in writing of the reasons for the proposed action at least fifteen (15) days prior to the effective date of the suspension. If the Member requests, in writing, a hearing on the suspension within five (5) days after his receipt of notice then a hearing will be held before the Board or a committee appointed for that purpose at least five (5) days before the effective date of the suspension. At the hearing, the Member may appear and defend against the matters resulting in the notice of suspension.
- (2) A Member's Association privileges may be suspended until that violation is corrected or otherwise adjudicated.
- (3) Any monetary Penalty shall be assessed according to the Schedule of Fines.

Section 5. **Proxies.** At all meetings of Members, each Member may vote in person or by mail. Pursuant to the 2005 change in the Arizona Revised Statutes, no proxy votes shall be allowed.

Section 6. **Voting List.** At least three (3) days before the Annual Meeting of Members, the Secretary of the Association shall make a complete list of the Members entitled to vote at the meeting. This list should be kept on file at the principle office of the Association for a period of three (3) days prior to the meeting, should be produced and kept open at the meeting, and shall be subject to inspection by any Member for any purpose germane to the meeting during usual business hours of the Association, and during the meeting. Violations of the provisions of this Section 6, which do not materially and adversely affect the outcome of a vote, are not grounds for a challenge to the actions taken at the meeting.

ARTICLE V

Board of Directors - Selection - Term of Office

Section 1. **Board of Directors.** A Board of five (5) Directors subject to the CC&Rs and these Bylaws shall manage the business of the Association.

Section 2 **Term of Office.** The term of office for Directors shall be two years with staggered elections as follows: In even numbered years the two (2) nominees

receiving the most votes shall be elected. In odd numbered years the three (3) nominees receiving the most votes shall be elected. The term of the newly elected Directors shall begin on the first day following election. Normally, Board elections will be at the Annual Meeting. If circumstances warrant, the Board may make a one (1) month adjustment to the election month.

Section 3 **Removal.** Any Director may be removed from the Board for cause, by a majority of the Board. A director may also be removed by a 60% vote of the Association Membership at the Annual Association meeting. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor. Should a Board member resign, he may not run in the following election, but must wait until the second election after his resignation.

Section 4 **Compensation.** Directors shall receive no compensation for any service they may render to the Association. However, a Director may be reimbursed for actual expenses incurred in the performance of his duties.

ARTICLE VI

Nomination and Election of Directors

Section 1. **Nomination.** The Board of Directors shall appoint, at least 90 days prior to the Annual Meeting, a Nominating Committee consisting of a Board member as chairman and two Association members not on the Board. The committee shall receive, until 60 days prior to the Annual Meeting, applications from and rule on the qualifications of any Association member desiring to run for office as a Director. Names and resumes of all approved applicants shall be published in the Association newsletter prior to the Annual Meeting. At the expiration of the application period, the nominations shall be closed.

Section 2. **Eligibility.** To be eligible as a candidate, a person must be an Owner in good standing for not less than twelve (12) months immediately preceding the close of the application period and be in physical residence not less than six (6) months of the twelve (12) months preceding the close of the application period. Previous interrupted Ownership and/or residency or rental shall not apply toward this requirement.

Section 3. **Elections.** Election to the Board of Directors shall be by secret written ballot. The members may cast one vote per lot per vacancy, as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. *No write-ins will be permitted on the ballot.* Cumulative voting will not be permitted. As per the CC&Rs of the Association, voting by mail will be permitted.

ARTICLE VII

Meeting of Directors

Section 1. **Board Meetings.** The Directors shall meet quarterly, in May, August, November and February.

Section 2. **Special Meeting.** Special meetings of the Board shall be held when called by the President of the Association, or by any three (3) Directors. Notice may be given in person, or by phone. When feasible, a three- (3) day notice may be given.

ARTICLE VIII

Powers and Duties of the Board of Directors

Section 1. **Powers.** The Board has the power to:

- A. Adopt and publish “Rules and Regulations” governing the use of the Common Area and Improvements, the personal conduct of the Members and their guests, and establish penalties for infraction of the Restrictive Documents.
- B. Suspend the voting rights and right to use the Common Areas and Improvements of a Member as outlined in Article IV, Section 4 above.
- C. Exercise for the Association all legal powers, duties and authority vested in or delegated to the Association by Statute, or otherwise, unless reserved to the Membership by other provisions of these Bylaws, of the Articles of Incorporation or of the Declaration.
- D. Declare the office of a Director on the Board to be vacant if a Director has three (3) unexcused absences from regular meetings of the Board of Directors
- E. Employ a Manager, and/or independent contractor or other employees as they deem necessary and to define their duties.

Section 2. **Duties.** It shall be the duty of the Board to:

- A. Cause to be kept a complete record of all its acts and Association affairs, including the attendance record of each Director (as addressed in Section 1, D).
- B. Supervise all officers, agents and employees of this Association and see that their duties are properly performed.

- C. As is more fully provided in Article VI of the Declaration to:
- (1) Adopt an Annual Budget;
 - (2) Fix the amount of the Annual Assessment against each Lot;
 - (3) Send written notice of Assessments to every Owner; and
 - (4) Collect Assessments.
- D. Procure at Association expense, and maintain adequate liability and hazard insurance on Property and liability insurance for the Directors and Officers of the Association.
- E. Cause all Directors, Officers and employees having fiscal responsibilities to be bonded, as the Board deems appropriate.
- F. Cause the Common Area to be maintained.
- G. Cause the lawns, trees, shrubs, fences and the exterior of the primary Recreational Vehicles, M/Ms and all structures on the Lots to be maintained as defined in the Restrictive Documents.
- H. Generally enforces the provisions of the Restrictive Documents.

ARTICLE IX

Officers and Their Duties

Section 1. **Enumeration of Offices.** The officers of this Association are a President, Vice President, Secretary, Treasurer and other officers as the Board may, from time to time, by resolution create. Each officer must be a Director.

Section 2. **Election of Officers.** The election of officers shall take place at the first meeting of the Board following each Annual Meeting of the Members.

Section 3. **Term.** The officers of this Association shall be elected annually by the Board, and each shall hold office for one (1) year unless reelected by members of the Board or, shall sooner resign, shall be removed, or otherwise be disqualified to serve.

Section 4. **Special Appointments.** The Board may elect other officers as the affairs of the Association may require, each of whom shall hold office for the required period, have the authority and perform the other duties as the Board determines from time to time.

Section 5. Resignation and Removal. The Board may remove any officer from office with cause. Any officer may resign at any time by giving written notice to the Secretary; the Secretary shall then notify the Board. A resignation is effective on the date of receipt of notice, or at any later time specified in the notice. Unless otherwise specified in the notice, the acceptance of resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The successor director shall serve for the remainder of the term of the director he, or she, replaces.

Section 7. Multiple Offices. The same person may hold the offices of Secretary and Treasurer. No person shall simultaneously hold more than one of the other offices, except in case of a special office created pursuant to Section 4 of the Article.

Section 8. Duties. The duties of the officers are:

- A. **President.** The President presides at all meetings of the Board and of the Members. Appoints all committee chairs, sees that orders and resolutions of the Board are carried out, signs leases, mortgages, deeds and other written instruments and may be authorized to sign all checks, in conjunction with the Treasurer, and promissory notes on behalf of the Association. The exception being pre-approved contracts by the Board.
- B. **Vice-President.** The Vice-President acts in place of the President if the President is absent, or unable, or unwilling to act including the signing of checks when the President or Treasurer is not present. The Vice-President may perform other duties if requested by the Board or by the President.
- C. **Secretary.** The Secretary (1) records the vote, (2) keeps the minutes of all meetings and proceedings of the Board and of the Members, (3) keeps the corporate seal of the Association and may affix it on all papers requiring the seal, (4) serves notice of meetings of the Board and of the Members, (5) keeps appropriate current Membership lists of the Association together with their addresses, and (6) may be authorized to sign checks (7) performs other duties as required by the Board or by the President.
- D. **Treasurer.** The Treasurer (1) receives and deposits in appropriate bank accounts all monies of the Association, (2) disburses funds as directed by resolution of the Board, (3) may be authorized to sign all checks and promissory notes of the Association (see A above), (4) keeps proper books of account, (5) causes an annual audit, review or

compilation of the Association's finances and financial records as directed by the Board of Directors each fiscal year, (6) with the direction of the Board, a Director and two Owners shall prepare the annual budget. (7) prepares a statement of income and expenditures to be presented to the Membership at its regular Annual Meeting, and to the Board at its monthly meetings, and (8) to provide to the Board, upon request, an analysis of any deviation of the budget that may occur.

- E. **Delegation of Duties.** Delegation of duties to Directors and/or independent contractors for the Association does not relieve Directors of the responsibility for oversight in assigned duty areas. Directors should not unduly interfere with duties so delegated.

ARTICLE X

Committees

The Board shall appoint an Architectural Committee as provided in the Declaration and a Nominating Committee as provided in these Bylaws. In addition, the Board may appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI

Fiscal Management

Section 1. **Depositories.** The funds of the Association shall be deposited in banks and depositories as may be determined upon resolutions approved by the Board from time to time, and may be withdrawn only upon checks and demands for money signed by a director(s) of the Association as are designated by the Board (see Article IX, Section 8).

Section 2. **Fidelity Bonds.** All directors who are authorized to sign checks, and all directors and employees of the Association, and any contractor handling or responsible for Association funds, may be bonded in an amount determined by the Board. The Association shall pay the premiums for bonds.

Section 3. **Fiscal Year.** The fiscal year for the Association begins on the first day of January of each year; provided, however, that the Board is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America if the Board deems it advisable.

Section 4. Determination and Levy of Assessments.

- A. From time to time the Board of the Association shall fix and determine the sum of sums necessary and adequate for the common expenses of the Association. “Common Expenses” include expenses for the operation, maintenance, repair, or replacement, of the Common Areas and Improvements, (including utilities owned by the Association), costs of carrying out the duties of the Association, all insurance premiums and expenses, and any other expenses designated as Common Expenses from time to time by the Board. Premiums for Directors and Officers liability insurance are included as a Common Expense.
- B. The Board is specifically empowered, on behalf of the Association, to make and collect Assessments, and to maintain, repair and replace the Common Areas and Improvements of the Association. Funds for the payment of Common Expenses shall be assessed against the Lot Owners as provided in the Restrictive Documents. Assessments are payable as ordered by the Board. Special Assessments are levied in the same manner as provided for regular Assessments, and are payable in the manner determined by the Board.
- C. After the Board determines the amount of an Assessment, the Treasurer of the Association shall cause to be mailed, or present to each Lot Owner, a statement of the Lot Owner’s Assessment. All Assessments are payable to the Villages at Lynx Creek or other party designated in writing by the Board. Upon request, the Association shall provide a receipt for each payment made.

Section 5. Reserve Funds. Reserve/Replacement Funds will be managed in compliance with any laws governing non-profit corporations and associations.

Section 6. Application of Payments and Co-mingling of Funds. All sums collected by the Association from Assessments shall be divided into specific funds as defined by the Board from time to time and may not be co-mingled without specific approval of the Board for a specific purpose. Funds may not be disbursed from the Reserve/Replacement Fund without specific approval of the Board. All Assessment payments by a Lot Owner shall be applied as to interest, delinquencies, costs and attorney’s fees, other charges, expenses or advances, as provided in the Restrictive Documents. Assessments shall be applied as the Owner determines at their discretion.

Section 7. Financial Records. Each fiscal year of the Association, the Board of Directors of the Association shall provide for an annual financial audit, review or compilation of the Association’s finances and financial records. Subject to the prior sentence, the Board may determine in its sole discretion each year whether to provide for an annual financial audit, review or compilation of the Association’s finances and

financial records for such fiscal year. In any event, the financial audit, review or compilation for such year must be completed no later than six months after the end of the Association's fiscal year. Once completed, the financial audit, review or compilation must be made available to the Members upon request within thirty days after its completion.

Section 8. **Acceleration of Assessment Installments upon Default.** Board actions will be guided by Article VI of the CC&R's. If a Lot Owner defaults in the payment of an installment of an Assessment, then the Board may accelerate the remaining monthly installments for the fiscal year upon notice to the Lot Owner. Thereupon, the unpaid balance of the Assessment is due on the date stated in the notice, which must be not less than fifteen (15) days after the delivery of, or mailing of, the notice to the Lot Owner. No Lot may be voluntarily transferred until all Assessments, dues, interest and penalties, etc., have been paid in full.

Section 9. **Records.** Association records, except for those matters pertaining to (1) Employment or personnel matters, including medical records, for employees of the Board or Association, (2) Legal advice from an attorney for the Board of the Association, (3) Pending or contemplated litigation, or (4) Pending or contemplated matters relating to enforcement of the Association's documents or rules, shall be available at the principle offices of the Association, during all business hours, for inspection by any Member making a specific request for information to any Board member. The Declaration, Articles of Incorporation, and the Bylaws shall be available for inspection at the principle offices of the Association. A copy of any audit will be available for inspection not later than thirty (30) days upon completion of the audit.

ARTICLE XII

Substantial Additions or Alterations

There shall be no additions or alterations to the Common Area unless authorized by the Board. Amounts in excess of Fifty thousand dollars, (\$50,000.00), must be ratified by a majority vote of Lot Owners present at a regular, or special, meeting called for that purpose. There shall be no acquisition of real property classified as an asset and not as Common Area exceeding a cost of Fifty thousand dollars, (\$50,000.00), unless authorized by the Board and ratified by a majority vote of the Lot Owners present at any regular or special meeting of the Lot Owners called for that purpose. The Board has the sole discretion to classify real property acquired by the Association as an asset or as a Common Area.

ARTICLE XIII

Compliance and Default

Section 1. **Violations.** In the event of a violation, (other than the non-payment of an Assessment), by the Lot Owner of any of the provisions of the Declaration, or of these Bylaws, the Association, by direction of its Board, may notify the Lot Owner by written notice of the violation. This notice will conform to CC&R requirements in Article 6, Section 6.11. If the violation continues for a period of fifteen (15) days after the date of notice, then the Association may, pursue one or more of the following options.

- A. File a lawsuit to recover damages suffered by the Association or other Lot Owners.
- B. File an equitable action to enforce performance on the part of the Lot Owner;
- C. File an equitable action for relief as may be necessary under the circumstances, including an injunction. The Association's failure to file a lawsuit within fifteen (15) days from the date of the notice does not waive the Association's right to pursue its remedies at a future date. If the Board of Directors deem a violation to be a hazard to public health, then all costs of resolving the violation may be charged to the Lot Owner as a lien against the Lot with the same force and effect as if the charge were a part of the Common Expense or an Assessment.
- D. Suspension of the right of the Lot Owner, his family and guests to use Common Areas.
- E. Withdrawal of the Lot Owner's right to serve as a Director, officer, committee member or employee of the Association until the violation is resolved.
- F. Suspension of the violating Lot Owner's right to vote as a member of the Association.
- G. In the event of parking violations, cause improperly parked vehicles to be towed away and stored at the expense of the violator.
- H. Imposition of penalties plus interest at twelve percent (12%) per annum, (or other interest rate as set by the Board) from the date of imposition until paid. Penalties may be enforced by an action at law and shall be a lien on the violating Owner's Lot.

Section 2. **Negligence or Carelessness of Lot Owner, Etc.** Provisions of Article 7, section 7.2 through 7.4 of the CC&R's establish Lot Owner liability for willful or negligent damage to Association property and resultant costs of repair to the extent that such costs are not covered by insurance carried by the Association. Such liability includes any increase in insurance rates occasioned by the claim use, misuse, occupancy or abandonment of any Lot or its appurtenances. These provisions, however, shall not be construed to modify any waiver expense for maintenance, repair or replacement required as provided in this section, shall be charged to the Owner as a lien against his Lot with the same force and effect as if the charge was a part of an Assessment.

Section 3. **Costs and Attorney's Fees.** In any proceeding arising from the interpretation or enforcement of the Restrictive Documents the prevailing party is entitled to recover the costs of the proceeding and actual attorney's fees.

Section 4. **No Waiver of Rights.** The failure of the Association, or of a Owner, to enforce any right, provision, covenant or condition granted by the Restrictive Documents is not a waiver of that right. These rights are cumulative; the exercise of any one or more rights is not an election of remedies and does not preclude that party from exercising its other and additional rights, remedies or privileges at law or in equity.

ARTICLE XIV

Acquisition of Units

The Association may, but is not obligated to, acquire title to a Lot at a Foreclosure either in the name of the Association or its designee. The term "Foreclosure" as used in this section includes the foreclosure of any lien for Assessments. The power of the Board to acquire a Lot at a Foreclosure, however, shall not be interpreted as a requirement or obligation on the part of the Board, or of the Association, to do so.

ARTICLE XV

Indemnification

The Association shall indemnify every Director and every officer, his heirs, executors and administrators, against all loss, cost and expenses reasonably incurred in connection with any action, suit or proceeding, to which they may be made a party, by reason of their being, or having been, a Director, or officer, of the Association, including reasonable attorneys' fees to be approved by the Association, except as to matters for which they are finally adjudged to be liable for or guilty of, gross negligence, fraud or willful misconduct. These rights shall be in addition to, and not exclusive of, all other rights to which a Director or officer may be entitled.

ARTICLE XVI

Liability Survives Termination of Membership

The termination of Membership in the Association does not release a former Owner, or Member, from liability for obligations arising from their Membership in the Association during their period of Ownership, or impair any rights, or remedies, which the Association has against a former Member.

ARTICLE XVII

Limitation of Liability

Notwithstanding the duty of the Association to maintain and repair the Association Property, the Association is neither liable for injury, or damage, caused by a latent condition in the Property, for injury, or damage, caused by the elements, nor by other Owners, or persons.

ARTICLE XVIII

Corporate Seal

The Association may, but is not required to, have a seal in circular form having within its circumference the words: *The Villages at Lynx Creek Owner's Association, Inc.*

ARTICLE XIX

Amendments

Section 1. These Bylaws may be amended, at a regular, or special, meeting of the Board, by a majority vote of the Board.

Section 2. In case of a conflict between the Articles of Incorporation and these Bylaws, the Articles control. In case of a conflict between the Declaration and these Bylaws, the Declaration controls.

IN WITNESS WHEREOF, the Directors of the Association signed these Bylaws to be binding as of the Effective Date: April 20, 2023.

President, Steve Breyer _____

Vice President, Randy Wolfenden _____

Secretary, Albert Myers _____

Treasurer, Bob Loskill _____

Member at Large: Sandra Hoffman _____