

ENGROSSED AMENDED AND RESTATED BYLAWS
OF
PINNACLE PEAK ESTATES- UNIT I
HOMEOWNERS' ASSOCIATION
Updated December 2019

ARTICLE I
ARTICLES OF INCORPORATION

Section 1. Articles. Any reference herein made to this Association's Articles will be deemed to refer to its Articles of Incorporation and all amendments thereto as at any given time on file with the Arizona Corporation Commission, together with any and all certificates theretofore filed by the corporation with the Arizona Corporation Commission.

Section 2. Seniority. The Articles will in all respects be considered senior and superior to these Bylaws with any inconsistency to be resolved in favor of the Articles, and with these Bylaws to be deemed automatically amended from time to time to eliminate any such inconsistency which may then exist.

Article II
Declaration of covenants, conditions, restrictions

That certain Declaration of Covenants, Conditions and Restrictions (the "Declaration"), recorded March 17, 1971 in Docket 8582, beginning at page 867, records of Maricopa County, Arizona, as it may be amended or supplemented from time to time, is incorporated herein by reference.

Article III
Membership

Section 1. Annual Meetings. The annual meeting of the members shall be held once a year in Arizona at a date, time and place to be determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be held at such places and at such times as may be fixed by the Board of Directors whenever called in writing by the President, a majority of the Board of Directors or by the members having at least twenty-five percent of the votes in the Association.

Section 3. Notices. Each member of the Association shall be notified by the Secretary, by written notice mailed to each member's address within the Subdivision, as that term is defined in the Declaration (unless the Secretary has received a written notice from such

member designating a different address) at least ten (10) days before the date of the annual meeting, stating the time and place of the meeting.

Section 4. Quorum. At any regular or special meeting of the members (or their representatives designated pursuant to Section 6 of this Article III) the members holding twenty-five percent (25%) or more of the total votes entitled to be cast by all members shall constitute a quorum for the transaction of business. A quorum shall be necessary to elect directors and transact any other business. In the absence of a quorum, a majority of the members present may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally notified.

Section 5. Multiple Lot Owners; Corporate Ownership. If any lot is owned by two (2) or more people or entities, all of the owners must agree and designate in writing to this Association the name of the person or entity (from among themselves) who shall cast the vote for and on behalf of the others. If a member is a corporation or other entity, an officer or other duly authorized representative of the corporation or other entity may cast a vote for or on behalf of the member.

Section 6. Manner of Voting. Each lot in the Association will be entitled to one (1) vote.

Section 7. Disqualification. In the event any member shall be in arrears in the payment of any amounts due for a period of fifteen (15) days, or shall be in default in the performance of any of the terms thereof for a period of fifteen (15) days (i) such member's right to vote in this Association shall be suspended and shall remain suspended until all payments are brought current and all defaults remedied, and (ii) such member, if serving in the capacity of an officer of the Association, shall be subject to removal from such office by the majority vote of the Directors.

Section 8. Absentee Ballots. At any meetings of the members, any member entitled to vote thereat may vote by absentee ballot as specified in ARS 33-1812, or as that statute is amended.

Section 9. Irregularities. All informalities and irregularities in calls, notices of meetings and in the manner of voting, credentials, and methods of ascertaining those present, shall be deemed waived if no objection is made at the meeting.

ARTICLE IV

DIRECTORS

Section 1. Management. The control and management of the property, affairs and business of the Association shall be vested in a Board of Directors of not less than three (3) nor more than nine (9) members. All Directors shall be members of the Association. The initial

Board of Directors shall consist of six (6) members and shall serve until the first annual meeting of the members. The Board of Directors will have the power to increase or decrease its size within the aforesaid limits and to fill any vacancies which may occur in its membership, whether resulting from an increase in the size of the Board or otherwise, and shall hold office until the next annual meeting of the members.

Section 2. Election and Term of Office. The Board of Directors shall be elected annually at the annual meeting of members and shall hold office until their successors have been elected and hold their first meeting.

Section 3. Quorum. A quorum for the transaction of business at any meeting of the Directors shall consist of a majority of the Board of Directors then in office.

Section 4. Annual and Regular Meetings. An annual meeting of the Directors shall be held the next month after the adjournment of the annual meeting of the members. Additional regular or special meetings of the Directors may be held with a recommended forty-eight (48) hours advanced notice of meeting location with invitation to the members, posted at the community mailbox.

Section 5. Special Meetings. Special meetings of the Board of Directors shall be held at such times and places as may be designated by the Board of Directors whenever such meetings are called orally or in writing by the President or a majority of the Board. Such notices shall advise each Director of the time, place and general purpose of the meeting, Special meetings of the Board may be held at any time without call or notice, if emergency circumstances require action by the Board before notice can be given.

Section 6. Unanimous Consent. Any action which could be taken by the Directors at a duly convened annual or special meeting of the Board may be taken without a meeting if all of the Directors consent thereto in writing. Such consent shall have the same effect as a unanimous vote of the Directors.

Section 7. Vacancies. In the event of the death, resignation, or discharge of a Director for any reason, such vacancy shall be filled by vote of the majority of the Directors present at a properly called meeting of the Board of Directors, and the Director elected to fill such a vacancy shall complete the term of office of the Director so replaced.

Section 8. Removal of Directors. A Director may be removed from the board pursuant to ARS 33-1813(A), or as that statute is amended. A successor may be elected to fill any vacancy created by the removal of a Director at a meeting of the members. Any Director whose petition for removal has been verified shall be given the opportunity to be heard at the noticed special meeting.

Section 9. Expenses. No Director shall receive compensation for any service he/she may render to the Association as a Director. However, any Director may be reimbursed for actual and reasonable expenses incurred in the performance of Association duties.

ARTICLE V

OFFICERS

Section 1. Designation of Officers. The Directors shall elect the officers of the Association at an annual meeting of the Board of Directors; provided, however, that elections of additional officers may be held at any other meeting of the Board specifically called for such purpose. The officers of the Association shall consist of a President, Vice President Secretary and Treasurer, any two (2) of which offices, other than President and Secretary, may be held by one (1) person. The Board of Directors may also appoint one (1) or more Assistant Secretaries and Assistant Treasurers, which officers shall have authority to perform such duties as may be prescribed by the Board or the President. The elected or appointed officers of the Association must be members of the Association.

Section 2. Duties of Certain Officers.

(a) President. The President shall be the chief executive of the Association. The President shall preside at all meetings of the Board of Directors; shall be ex officio a member of all standing or special committees; shall have general charge of the activities of the Association; shall sign, on behalf of the Association, all contracts and other written instruments to be executed by the Association; and shall see that all resolutions of the Board are carried into effect. The President shall do and perform such other acts and duties as may be required by the Board of Directors, but the Presidents' authority shall be subject to the control and direction of the Board of Directors at all times.

(b) Vice President. The Vice President, in the absence or disability of the President, shall perform the duties and exercise the powers of the President, and shall perform such other duties as the Board of Directors shall prescribe.

(c) Secretary. The Secretary shall keep a permanent and complete record of all proceedings of each meeting of the members and each meeting of the Board of Directors; shall give or cause to be given, when required, notice of all meetings of the members and notice of all meetings of the Board; shall keep an accurate list of all members of the Association and their addresses, and shall perform such other duties as may be prescribed by the Board of Directors or the President. An Assistant Secretary, or Executive Secretary, if appointed, shall in the event of the Secretary's absence or inability to act, perform the duties and functions of the Secretary.

(d) Treasurer. The Treasurer shall have custody of the Association's funds and shall keep full and accurate accounts of receipts and disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board, demanding proper vouchers for such disbursements. The Treasurer shall prepare an annual budget as required by Article VI, Section 1, below, prepare and submit a written financial report at each annual meeting of the members, and shall render to the President an account of all his transactions as Treasurer and such

additional reports of the financial condition of the Association as the Board may require. The Treasurer may be required to furnish a surety bond in an amount determined by the Board, the premium of which shall be paid by the Association. An Assistant Treasurer, if appointed, shall, in the event of the Treasurer's absence or inability to act, perform the duties and functions of the Treasurer.

Section 3. Other Employees. The Board of Directors may engage the services of such other employees, including but not limited to a Road Commissioner, an Executive Secretary and/or a Manager, as may from time to time be deemed necessary or advisable for the objects and purposes of the Association.

Section 4. Removal of Officers; Vacancies. All officers, agents and employees shall be subject to removal at any time by the affirmative vote of the majority of the members of the Board of Directors, then in office. Any vacancy caused by removal, resignation, death or for any other reason whatsoever may be filled by the Board of Directors as the Board may deem appropriate.

Section 5. Committees. The Association shall have as a standing committee an Architectural Committee, as provided in the Declaration. In addition, the Board shall from time to time appoint other committees as deemed appropriate in carrying out its purpose.

Section 6. Compensation. The President, Vice President, Secretary and Treasurer shall receive no compensation for their services rendered to the Association as such officers. However, such officers may be reimbursed for their actual reasonable expenses incurred in the performance of their duties. The Board of Directors may fix and pay such reasonable compensation for other officers or employees of the Association as the Board deems proper.

ARTICLE VI

ASSESSMENTS

Section 1. Annual Budget. The Treasurer shall cause to be prepared an estimated annual budget for each fiscal year for the Association. Such budget shall take into account the estimated expenses and cash requirements for the year and for each month thereof. The annual budget may provide for a reserve for contingencies in such reasonable amounts as may be determined by the Board. To the extent that assessments and other cash collections from the members during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account.

Section 2. Assessments. The estimated annual budget for each forthcoming fiscal year shall be approved by the members of the Association at the annual meeting of members held during the preceding fiscal year. Copies of each approved annual budget shall be furnished to each member, at the annual meeting. Upon approval of the estimated annual budget by the members, the Board shall assess each member's lot, as the annual assessment for the year covered by the annual budget, the member's pro rata share of the estimated expenses of the Association for the upcoming year, computed by multiplying the estimated annual budget by the ratio that one (1) bears to the total number of memberships in the Association (sometimes

hereinafter referred to as the "Annual Assessment"). Each member of record shall be jointly and severally liable for the annual assessment attributed to his lot. If a membership is held by multiple owners of a single lot, each owner of the lot shall be liable for his proportionate share of the annual assessment with respect to the lot, computed by multiplying his annual assessment with respect to the lot by the ratio that one (1) bears to the total number of owners of the particular lot. Each annual assessment shall be due and payable on or before January 10 of the year covered by the annual assessment. The Board of Directors shall have the power to authorize other payment schedules at its discretion.

In addition to the foregoing regular annual assessment, the Board may levy such additional special assessments (sometimes hereinafter referred to as "special assessments") as may be necessary or desirable to meet expenses of the Association during the fiscal year. The annual assessment and the special assessments shall collectively sometimes hereinafter be referred to as the "Assessment". Such special assessments shall be payable when, and upon such notice, as the Board may determine. All amounts, whether regular or special, shall be due and payable to the Association.

Section 3. Maximum Assessment. No member's pro rata share of an Assessment shall exceed \$300 per year per lot owned, unless such maximum Assessment is increased by the Association with the prior written consent of a majority of the members present in person or by absentee ballot at a meeting of members called for that purpose.

Section 4. Partial Months. Upon becoming a member of this Association, an owner of a lot in the Subdivision shall thereupon become obligated to pay the Assessments and charges provided for herein. If membership commences after January 10 of any calendar year, the member's Assessments for that calendar year shall be prorated to the date membership commenced. All members shall remain liable for all Assessments and other charges payable hereunder so long as they are members of this Association. In the event that membership terminates, Assessments shall be prorated to the date of termination; provided, however, that anything herein to the contrary notwithstanding, any delinquent Assessments shall remain the continuing responsibility and obligation of the delinquent member even after membership in this Association terminates.

Section 5. Delinquency. Assessments as provided for herein shall be due and payable on or before each January 10 or at such other time as may be directed by the Board. Failure to pay Assessments when due shall render the Assessments delinquent and such delinquent Assessments shall bear interest at the rate of ten percent (10%) per annum from the date of delinquency until paid.

Section 6. Liens. Any and all delinquent amounts with interest, shall be a lien and a charge upon all the property of the member located within the subdivision, such lien to be junior only to the lien or charge of any bona fide first mortgage or first deed of trust upon the same property or any part thereof at any time given or made. Suit to recover a money judgment for unpaid expenses or Assessments shall be maintainable without foreclosure or waiving the lien securing the same. In any legal action against a member to enforce payment of any unpaid Assessments or otherwise to secure compliance with the provisions of these Bylaws or the

Articles, the Association, upon prevailing, shall be entitled to reimbursement from the member for all costs and expenses incurred, including, but not limited to, reasonable attorneys' fees.

ARTICLE VII

AMENDMENTS

Section 1. Amendments. The members, at any regular or special meeting, shall have the power to make, amend, and repeal the Bylaws of the Association by vote of a majority of the members having the right to vote, provided that written notice of intention to make, amend or repeal the Bylaws in whole or in part shall have been given in the notice of the meeting.

ARTICLE VIII

FISCAL MANAGEMENT

Section 1. Fiscal Year. The fiscal year of the Association shall be January 1 through December 31. The commencement date of the fiscal year herein established shall be subject to change by the Board.

Section 2. Books of Account. Books of account of the Association shall be kept under the direction of the Treasurer on a consistent basis in accordance with generally accepted accounting practices and are to be made available for viewing by a Board or Regular member of the association.

Section 3. Contracts. Unless otherwise provided by the Board, all contracts shall be executed on behalf of the Association by either the President or Vice President and countersigned by either the Secretary or the Assistant Secretary.

ARTICLE IX

CONFLICTS

Section 1. Discrepancies. Any discrepancies or conflicts between the provisions of the Arizona Revised Statutes, the Declaration, the Articles, the Bylaws, and the Rules shall, unless otherwise provided, be resolved by giving priority first to the Arizona Revised Statutes, the second to the Declaration, third to the Articles, fourth to the Bylaws, and fifth to the Rules.

CERTIFICATION OF ADOPTION

By attesting to this Engrossed Amended and Restated Bylaws, the undersigned certifies that this engrossed version of the Bylaws includes all amendments and the most recent amendments, which were adopted by the Members at a special meeting on July 15, 2019 by a majority of the members having the right to vote. The Association engrossed the Bylaws for the purpose of having all amendments in one single comprehensive document.

Pinnacle Peak Estates – Unit I Homeowners Association

By [Signature] (signature)

MARK J. KUNTE (print name)

ITS: President

STATE OF ARIZONA)
)ss.
County of Maricopa)

The foregoing instrument was signed before me this 6th day of December, 2019, by Mark J. Kunte the President of Pinnacle Peak Estates – Unit I Homeowners Association, an Arizona non-profit corporation, on behalf of the corporation.

Notary Public:

Andrew Berry

My commission will expire:

May 2, 2023

