

**AMENDED AND RESTATED BYLAWS
OF
PINE COUNTRY HOMEOWNERS ASSOCIATION**

ARTICLE I

PRINCIPAL OFFICE

The principal office of the corporation shall be located at 3205 Lakeside Village, Prescott, AZ 86301, or such other place as may be designated from time to time by the Board of Directors.

ARTICLE II

DEFINITIONS

The following words where used in these Bylaws shall be defined as set forth in this Article II.

2.1 "Association" shall mean and refer to Pine Country Homeowners Association, an Arizona nonprofit corporation, its successors and assigns.

2.2 "Board" shall mean and refer to the Board of Directors of the Association.

2.3 "Bylaws" shall mean and refer to these "Bylaws of Pine Country Homeowners Association".

2.4 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Parcels 1 through 104, High Country Pines II, Unit I that was recorded on February 24, 1998 at Fee # 1998-3138; First Amendment to include Parcels 105 through 178, High Country Pines II, Unit 2 recorded on June 21, 1999 at Fee # 1999-12582; Second Amendment recorded on September 22, 1999 at Fee # 1999-20070, Third Amendment recorded on September 20, 2011 at Document No. 2011-14604, and Fourth Amendment recorded on October 28, 2014 at Document No. 2014-14533, all official records of Navajo County, Arizona ("Declaration").

2.5 "Director" shall mean and refer to a member of the Board.

2.6 "Lot" shall mean and refer to a parcel of real property shown and identified as any of the Lots identified or located within the Property.

2.7 "Member" shall mean and refer to the holder of the fee simple title to a Lot as shown from time to time in the property records of the office of the Recorder of Navajo County, Arizona, provided however, "Member" shall also include the holder of equitable title to any Lot, including a purchaser under a contract for conveyance of real property, for which legal title is held of record by another person; provided, however, any person holding title as security shall not be deemed a "Member".

2.8 "Owner" shall mean and refer to every person or persons, or entity or entities, who are record owners of a fee interest in the Property, their heirs, successors, legal representatives or assigns.

2.9 "Property" shall mean and refer to the parcels referred to as the Property and described in the Declaration.

ARTICLE III

MEMBERSHIP

3.1 Members. Qualifications for membership in the Association and the incidents thereof shall be as set forth in the Declaration. Membership shall be held and exercised in accordance with the provisions of the Declaration and these Bylaws.

3.2 Membership Certificates. The Board may, but shall not be required to, issue to each Member of the Association a certificate in a form approved by the Board setting forth the name of the Member and identifying the Lot owned. Each certificate shall be signed by the President or Vice-President and by the Secretary and may be impressed with the corporate seal.

3.3 Transfer of Membership. A membership shall be transferred on the Association's records upon delivery to the Association of proper evidence of transfer of ownership of the Lot to which the membership pertains, and if a certificate has been issued, delivery to the Association of such certificate duly endorsed.

3.4 Replacement Certificates. The Board may issue a new certificate in place of a certificate alleged to have been destroyed or lost or which a former Member wrongfully refuses or fails to produce upon sale of such Member's Lot. The Board, in its discretion, may as a condition precedent to issuing the new certificate, require the Member to furnish a sworn affidavit certifying to the Board and the Association the facts upon which issuance of a new certificate is requested and to provide a bond or other security to the Board as indemnity against any claim that may be asserted against the Board or the Association by reason thereof.

3.5 Suspension of Voting Privilege. The Board may suspend a Member's privilege to vote for violation of any provision of the Declaration or these Bylaws. Prior to any suspension, the Board shall hold a hearing at which time the Member will be given an opportunity to respond to the alleged violation. Written notice specifying the time and place of the hearing and the nature of the alleged violation shall be given to the Member at least fifteen (15) days in advance of the time set for the hearing. If the Board determines by majority vote that the Member has violated any of the provisions of the Declaration or these Bylaws as alleged, the Member's privileges to vote shall be suspended unless the violation is cured within ten (10) days thereafter unless the Board determines otherwise. The maximum term of suspension shall be thirty (30) days for each violation, except for a continuing violation. In the case of a continuing violation, the suspension shall continue until the violation is cured, as determined by the Board. This Section shall not in any manner prohibit the Board from imposing such other or additional sanctions as the Board may deem advisable and shall not in any manner limit the provisions of the Declaration or these Bylaws relating to assessments and enforcement of any remedy against a Member to collect delinquent assessments.

ARTICLE IV

MEETINGS OF THE MEMBERS

4.1 Annual Meetings. The Board may fix the date and time for the Annual meeting but such new date shall be not more than thirty (30) days before or after the first anniversary of the immediately preceding Annual Meeting. If the scheduled day for any Annual Meeting of the Association is a legal holiday (either federal or State of Arizona), the meeting shall be held at the same hour on the first day following which is not a legal holiday. Any business of the Association may be transacted at the Annual Meeting.

4.2 Place of Meetings. Meetings of the Members shall be held at the principal office of the Association or at any other place within the State of Arizona that the Board may select from time to time.

4.3 Special Meetings. Special Meetings of the Members may be called at any time by the President of the Association or by the Board or upon written request of the Members who are entitled to cast ten percent (10%) or more of the votes.

4.4 Notice of Meetings. Written notice of each Meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting by mailing a copy of the notice, postage prepaid, at least ten (10) days before the meeting to each Member, addressed to the Member's address last appearing on the ownership role of the Association or to such other address as may have been supplied in writing by such Member to the Association for the purpose of notice. Notices may also be provided via electronic communication. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

4.5 Waiver of Notice. A Member, either before or after a meeting, may waive notice of the meeting, and such waiver shall be deemed the equivalent of giving notice. Attendance at a meeting by the Member shall constitute waiver of notice of the meeting unless the Member attends for the express purpose of objecting to the transaction of business on the ground that the meeting was not lawfully noticed.

4.6 Quorum. The presence at a meeting, in person, of Members entitled to cast fifteen percent (15%) of the votes which may be cast by Members of the Association shall constitute a quorum for any action except as may otherwise be provided in the Declaration or these Bylaws. If, however, such a quorum is not present, the meeting may be adjourned to a time not less than twenty-four (24) hours nor more than thirty (30) days thereafter. At such reconvened meeting, the presence of Members entitled to cast at least ten percent (10%) of the votes which may be cast by Members of the Association shall constitute a quorum. A meeting may be reconvened only once. Thereafter, a new meeting must be called and the original quorum requirements shall be applicable.

4.7 Voting. The association shall provide for votes to be cast in person and by absentee ballot and, in addition, the association may provide for voting by some other form of delivery, including the use of e-mail, fax delivery or electronic voting. Any action taken at an annual, regular or special meeting of the members shall comply with all of the following if absentee ballots or electronic voting ballots are used:

1. The ballot shall set forth each proposed action.
2. The ballot shall provide an opportunity to vote for or against each proposed action.

3. The ballot is valid for only one specified election or meeting of the members and expires automatically after the completion of the election or meeting.

4. The ballot specifies the time and date by which the ballot must be delivered to the board of directors in order to be counted, which shall be at least seven days after the date that the board delivers the unvoted ballot to the member.

5. The ballot does not authorize another person to cast votes on behalf of the member.

6. The completed ballot shall contain the name, address and signature of the person voting, except that if the community documents permit secret ballots, only the envelope shall contain the name, address and signature of the voter.

7. Ballots, envelopes and related materials, including sign-in sheets if used, shall be retained in electronic or paper format and made available for member inspection for at least one year after completion of the election.

4.8 Adjournments. Any meeting may be adjourned by majority vote of the total votes represented at the meeting.

4.9 Action by Members Without-A-Meeting. Any action that may be taken at a meeting may be taken without-a-meeting if agreed to in writing by those Members entitled to vote with respect to the subject matter at the meeting.

4.10 Irregularities. All information and/or irregularities in calls, notices of meetings or in the manner of voting, credentials, and method of ascertaining those present, shall be deemed waived if no objection is made at the meeting or if waived in writing.

ARTICLE V

BOARD OF DIRECTORS

5.1 Number. The business and affairs of the Association shall be conducted and managed by a Board of not less than three (3) or more than seven (7) Directors who need to be a Member of the Association. The number of Directors may be changed from time to time by a majority vote of the Board without amendment of these Bylaws.

5.2 Initial Directors and Staggered Terms. The individuals named in the Articles of Incorporation will serve as the Association's Directors until the appointment and qualification of their successors or until the first annual election of Directors by the Members of the Association. At the first meeting of the Members of the Association, the Members shall determine the number of Directors on the Board. Thereupon, the Board shall be divided into three groups as nearly equal in size as possible. The first group shall be elected to three year terms, the second group to two year terms and the third group to one year terms. The person or persons receiving the highest number of votes shall be elected to the directorship(s) available in that group. The person or persons receiving the next highest vote count shall be elected to the second group.

The person or persons receiving the next highest vote count shall be elected to the third group. In subsequent Annual Meetings of the Membership, the directorship(s) in the group whose term expire at the time of that Annual Meeting of the Membership shall stand for election to a full three year term, resulting in approximately one-third of the Directors being elected each year.

5.3 Election and Term of Office. Directors shall hold office for a term of three (3) years, or until they shall sooner resign, be removed or otherwise become disqualified to serve. Director terms shall be staggered, resulting in approximately one-third of the Directors being elected each year. Regardless of the number of lots owned, property co-owners shall not be Board members at the same time. Elections shall be by secret ballot and may be conducted by methods described in paragraph 4.7. All elections shall be by majority voting and the candidates receiving the largest number of votes shall be elected. Such Member Directors so elected shall serve until the expiration of their term, or unless removed for reasonable cause by the vote of Members holding the majority of the votes represented in person or absentee ballot at a meeting of the Association called for that purpose.

5.4 Removal. Any or all of the Directors may be removed from office with or without cause by a majority vote of Members or in accordance with Arizona Revised Statutes.

5.5 Filling Vacancies. In the event of death, resignation or removal of a Director, his or her successor shall be selected by a majority of the Directors then in office or by a sole remaining Director and shall serve for the unexpired term of his or her predecessor.

5.6 Compensation. No Director shall receive compensation for any service rendered to the Association, but a Director may be reimbursed for actual expenses incurred in the performance of his or her duties.

ARTICLE VI

MEETINGS OF THE BOARD

6.1 Regular Meetings. Regular meetings of the Board shall be held at intervals of not greater than one hundred eighty (180) days at such place and hour as may be fixed from time to time by the Board. Regular meetings of the Board may be held from time to time as the Board may determine.

6.2 Special Meetings. Special meetings of the Board shall be held when called by the President of the Association or by any two Directors after not less than seven (7) days' notice to each Director. Such notice may be by electronic communication. A call or notice of a special meeting shall state the purpose or purposes for which the meeting is being called or noticed and only business affecting or related to such purpose or purposes may be conducted at such meeting.

6.3 Quorum. A majority of the Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present shall be regarded as the act of the Board.

6.4 Action Taken Without a Meeting. The Directors shall have the right to take any action without a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Such approval may be by electronic communication. Any action so approved shall have the same effect as a unanimous vote of such Directors taken at a meeting of the Directors.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD

7.1 Powers and Duties. The Board shall be vested with all the rights, powers and privileges and charged with all the duties and responsibilities of the Association.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

8.1 Enumeration of Officers. The officers of the Association shall be a President and a Vice President and a Secretary and a Treasurer, who shall at all times, be Directors. One individual may hold two (2) or more offices.

8.2 Election of Officers. The election of officers shall be by any agreed upon method by the Directors at the first meeting of the Board following the Annual Member meeting..

8.3 Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign or be removed by the Board, or otherwise becomes disqualified to serve.

8.4 Special Appointments. The Board may elect 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 the Board may from time to time determine.

8.5 Resignation and Removal. An officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such notice may be by electronic communication. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, acceptance by the Board shall not be necessary to make such resignation effective.

8.6 Vacancies. A vacancy in any office may be filled by the Board in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the unexpired term of his or her predecessor.

8.7 Powers and Duties. The powers and duties of the officers shall be as follows, but shall include such other powers and duties as the Board may authorize or delegate:

A. President. The President shall preside at all meetings of the Board and act as the chief executive officer of the Association.

B. Vice President. The Vice President shall act in the place and stead of the President in the event of his or her absence or inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her for the Board.

C. Secretary. The Secretary shall attend and record the votes and keep the minutes of all meetings and proceedings of the Board and of the Association; keep the corporate seal; serve notice of

meetings of the Board and of the Association; keep appropriate current records showing the Members of the Association, and the Voting Representatives; and perform such other duties as required by the Board. Such record keeping and other duties may be done by the managing agent authorized to conduct business for the Association if requested by the Secretary in compliance with these Bylaws.

D. Treasurer. The Treasurer shall keep or cause to be kept proper books of account showing all receipts and disbursements and shall cause an annual report in form and substance approved by the Board to be sent to the Members not later than one hundred twenty (120) days after the close of the Association's fiscal year which shall contain a balance sheet as of the end of such calendar year and a statement of income and expenditures for such calendar year. Such bookkeeping may be done by the managing agent authorized to conduct business for the Association if requested by the Treasurer in compliance with these Bylaws.

8.8 Execution of Documents. Contracts, deeds and other documents shall be executed by the President and the Treasurer and attested by the Secretary unless the Board shall designate by resolution another procedure for their execution.

8.9 Signing of Checks and Notes. Checks, notes, drafts and similar instruments shall be signed by the officers from time to time designated by the Board. All such documents shall be signed by no less than two officers or one (1) officer and the managing agent authorized to conduct business for the Association.

ARTICLE IX

COMMITTEES

9.1 Appointment. The Board of Directors may appoint such committees as it shall deem appropriate in carrying out the Board's duties.

ARTICLE X

BOOKS AND RECORDS

10.1 Inspection; Audit. The books and records, including without limitation, the ownership role, of the Association shall be available for inspection by any Member at the principal office of the Association at all times during normal business hours. The Declaration and these Bylaws shall also be available for inspection by any Member at the principal office of the Association at all times during normal business hours, and copies thereof may be purchased at reasonable cost. The Board, at its discretion, shall cause an annual compilation, review or audit in accordance with Arizona Revised Statutes to be made of the books and records of the Association by an independent public accountant or certified public accountant.

ARTICLE XI

BUDGET AND ASSESSMENTS

11.1 Budget and Assessments. The fiscal year for the Association shall commence on January 1 and end on December 31 of each year (Fiscal Year). At least forty-five (45) days prior to the commencement of each Fiscal Year, the Board of Directors of the Association shall provide, by US Mail services or via electronic communication, to each Member a recommended Annual Budget and all Assessments for the operation, maintenance and repair of the Association and Common Areas, including but not limited to waste treatment facilities owned by the Association, for the ensuing Fiscal Year. The Declaration, articles 3.9 and 3.10, provide that the Board of Directors shall prepare a budget and determine the amount of the Annual Assessment and Special Assessments and when the amount of the Assessments based on such budget, is an increase of more than twenty percent (20%) of the previous Fiscal Year, then the budget must be approved and adopted by members holding a majority of the votes at a duly called meeting of the Association. When the proposed Assessments are an increase of twenty percent (20%) or less than the previous Fiscal Year, the Board shall adopt an Annual Budget and Assessments at the next scheduled Board Meeting. Within thirty (30) days of its adoption by the Board, a copy and notice of the authorized Annual Budget and Assessment will be provided to each Member by US Mail services or via electronic communication.

11.2 Authority and Procedure. Pursuant to the authorization given in the Articles of Incorporation and the Declaration, the Board may establish procedures for setting and collecting the Assessments.

11.3 Collection of Assessments. Assessments shall be due and payable from the Members thirty (30) days following written notice of the Assessment. Such notice may be by electronic communication.

11.4 Capital Cost and Special Assessments. In addition to the Annual Assessment, all capital costs necessary for the continued maintenance, repair or improvements of the Common Areas, as those costs are differentiated from operating costs in the sole discretion of the Board, shall be assessed against each Member on a per lot basis. Capital costs may include all engineering, legal, financing, and administrative costs pertaining to the capital expenditures. Furthermore, in the event the Annual Assessments authorized by the Declaration are insufficient to cover such capital cost from budgeted requirements, then and in that event the Board may assess a Special Assessment to recover those costs.

11.5 Wastewater Service Assessments. In addition to the above Capital and Special Assessments, Members shall be responsible for Wastewater Service Assessments as prescribed by the Declaration, article 3.10.D. and further described herein.

11.5.1 Wastewater Service Connection Agreement. At the time a Member wishes to receive wastewater service to Member's Lot, Member shall enter into a Wastewater Service Connection Agreement (the "WSCA") specifying the terms and conditions under which the Association will provide that service; The WSCA shall provide, at a minimum, that:

- (i) Each Lot shall have the right to one (1) and only one two and one-half inch (2 1/2") connection for all wastewater use on the Lot which use is consistent with the Declarations.

(ii) Each Member shall pay to the Association all costs incurred by the Association to initiate such service, including but not limited to, account establishment fees, service line costs, and supervision of Member installed facilities that are interconnected to the Association's facilities.

(iii) Each Member shall also pay all other capital costs as established pursuant to Section 11.5.3 below, including Plant Expansion Agreement refund payments, if applicable.

(iv) Identify specific facilities that Member will be required to fund, construct, operate and maintain on Member's specific Lot which facilities are required by the Association's certified wastewater treatment operator necessary for the Association to provide said service (specific facilities may include but not be limited to holding/septic tanks, trickling filters, grinders, and lift stations).

(v) Acknowledge receipt by the Member of a written copy of the "Waste Limit Regulations" which identify waste items that cannot be disposed into the wastewater system.

Said assessments under subparagraph (ii) and (iii) above shall be payable in full at the time the Member requests wastewater service to the Lot. The facilities required by subparagraph (iv) above shall be installed and inspected by the Association prior to the Lot receiving wastewater service.

11.5.2 Special Wastewater Service Assessment (SWSA). To help recover the operating, maintenance and all other non-capital costs necessary to provide wastewater service, the Board shall establish a SWSA amount, not to exceed the Board's estimated cost for providing wastewater service for a projected 12-month period. The assessment amount can be less than the estimated cost for the yearly service. The assessment shall be made on a per Lot basis to those Lots receiving wastewater service. Said assessment may be collected on a monthly, quarterly, semi-annual, or annual basis, as determined by the Board. Any shortfall or excess in assessments collected versus actual expenses shall be included in the following year's Annual Budget and Assessments established pursuant to Paragraph 11.1 above.

11.5.3 Wastewater Facilities Capital Cost Special Assessment. All capital costs necessary for the provision of wastewater service to the Property including any annexation thereto, as those costs are differentiated from operating and maintenance costs in the sole discretion of the Board, shall be assessed against each Member on a per Lot basis. This assessment shall be referred to as the Wastewater Facilities Capital Cost Special Assessment (the "CCSA"). For the initial phase(s) of the Property, that CCSA shall include a prorated portion of the cost of the wastewater facilities built, or to be built, to serve the initial phase(s). For subsequent phases, or areas annexed into the Association, the CCSA shall include the prorated portion of the cost of the wastewater facilities required to serve such subsequent phase or area. The CCSA shall be assessed upon Board approval and may be collected as part of the WSCA. Subsequent capital costs for improvements or replacements may be assessed as determined by the Board.

11.5.4 Wholesale Treatment Service. The Association may provide wholesale wastewater treatment service to property outside of the Development for an initial service fee determined by the Board and under the following conditions: (i) the Association treatment plant has capacity to provide such treatment; (ii) the entity requesting such service provides all capital costs associated

with receiving such service, including but not limited to the collection, transmission and treatment facilities costs; (iii) the entity requesting such service pays all unique operating and maintenance costs of the Association associated with the influent provided by such entity; and (iv) the entity pays the Association a monthly wastewater service charge established by the Board. Subsequent phases and areas annexed into the Association do not qualify for wholesale treatment service but shall be subject to the provisions on Paragraph 11.5.3 and (v) the Board shall provide notice to the Members at least sixty (60) days in advance of their intention to vote on such action.

11.6 Lack of Capital or Expense Funds. In the event Members do not timely pay the assessments authorized herein or the funds are otherwise unavailable, the Board shall not be responsible or liable to any Member or other person for a resulting reduction or discontinuance of wastewater service to the Lots.

ARTICLE XII

MISCELLANEOUS

12.1 Loans to Directors or Officers Prohibited. The Association shall not loan money or its credit to assist directors, officers, or employees. Any director or officer who consents to or participates in the making of any such loan shall be liable to the Association in the amount of such loan until the repayment of the loan.

12.2 Amendments. These Bylaws may be amended by a majority vote of the Board.

12.3 Conflicts. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. All the terms, provisions and definitions contained within the Declaration are incorporated herein by this reference and made a part hereof as if set forth in full herein.

CERTIFICATION OF SECRETARY

I, Teri George, being the Secretary of the Pine Country Homeowners Association, do hereby certify the foregoing to be the Amended and Restated Bylaws of said Association as adopted by an action of the Board of Directors on the _____ day of _____, 2024.