



PCC PROPERTY OWNERS ASSOCIATION, INC.

BY LAWS

AMENDMENT 11 TO BY LAWS

The By Laws of the PCC Property Owners Association, Inc., dated September 7, 1976 are hereby amended by the following, to be effective as of the 6 th day of December, 2023.

Section 1.0 ASSOCIATION NAME AND LOCATION

1.1 The name of this association shall be "PCC PROPERTY OWNERS ASSOCIATION (POA), INC." with its principal office located at 1133 Old Chisholm Trail, Dewey, AZ, Prescott Country Club, Yavapai County, Arizona. The location of the principal office may be changed from time to time by vote of the Board of Directors.

1.2 Unless the context clearly requires otherwise, capitalized terms that are not otherwise defined herein shall have the meaning given to them in the Master Declaration of Amended, Restated Covenants, Conditions and Restrictions for Prescott Country Club.

Section 2.0 MEMBERSHIP, VOTING RIGHTS AND ASSESSMENTS

1. MEMBERSHIP

1.1. Any owner of real property in Prescott Country Club shall be eligible for membership in this Association. Membership in the Association shall be governed by the terms of the Declaration.

1.2. The owner of multiple Lots shall not be required to obtain or renew more than one membership during any membership year. The owner of multiple Lots may, however, acquire separate memberships for up to the total number of Lots owned by paying assessments for each separate membership.

1.3. Members who are not in good standing, defined as current in the payment of assessments, will not be entitled to benefits or services of membership in the Association. Members who are not in good standing are not eligible to vote on Association matters. Members not in good standing may return to good standing status by paying all delinquent assessments in full.

2. VOTING RIGHTS

2.1. A membership shall have only one vote on each matter coming before the Association. Only one person in a joint membership may cast the vote of that membership.

2.2. Owners of multiple Lots who have obtained additional separate memberships shall have one (1) vote for each separate membership.

2.3. Each Director shall have only one vote on each matter coming before the Association at a Board of Directors meeting.

2.4. Each committee chairperson and committee member shall have one vote on each matter voted upon during a committee meeting. It shall be at the discretion of the chairperson whether a matter before the committee is to be decided by voting, unless otherwise specified.

2.5. Proxy voting shall not be permitted on any matter coming before the membership or Board of Directors of this Association.

3. ASSESSMENTS

Annual assessments shall be as prescribed by the Board of Directors in compliance with restrictions contained in the Association Declaration. Unless otherwise fixed by the Board, annual assessments shall be due on January 1. Payment of assessments after February 1 is subject to a late fee of the greater of fifteen dollars (\$15.00) or ten percent (10%) of the amount of the unpaid annual assessments. Waiver of late fees may be granted upon written request from a member by the consensus of the office supervisor and two additional board members. Treasurer shall report all waivers to the board. It is the responsibility of the property owner to notify the POA office of any change of mailing address. Failure to do so does not excuse property owner for being responsible for any late fees or fines incurred.

Section 3.0 OFFICERS, DIRECTORS AND OFFICE MANAGER

1. MANAGEMENT OF THE ASSOCIATION

The business and affairs of the Association shall be managed by a Board of Directors comprised of not less than five (5) nor more than nine (9) directors and must always be an odd number. The number of directors may be altered from time to time by a majority vote of the Board of Directors. No two Board members shall be members of the same household. Any member who is delinquent in the payment of any assessment or other charge due the Association, or who is otherwise deemed by the Board to be in violation of the Association's governing documents, shall not be eligible to serve on the Board.

3.2 TERMS OF DIRECTORS

After the date of this amendment to the Bylaws, directors shall serve staggered two-year terms as follows: One-half of the number of directors (or as close to one-half as is possible) shall be elected at each annual meeting for two-year terms. All elections and appointments of directors under these Bylaws shall be made in a manner to preserve the staggering of terms contemplated hereby. In order to initiate the staggering of terms, at the first annual meeting to elect directors on or after the date of this amendment to the Bylaws, the minority of directors shall be elected to one-year terms, and the majority of directors shall be elected to two-year terms. Thereafter, the terms of all directors shall be two years. A director may serve as a member of the Board of Directors for successive terms.

3.3 OFFICERS

The Officers of the Association shall be President, Vice President, Secretary, and Treasurer.

3.3.1 ELECTION OF OFFICERS

Officers shall be elected by the Board at the first meeting of the Board following the annual meeting. Officers must be persons who are directors of the Association. Any one person may hold two or more offices at the same time, except that no one person shall simultaneously hold the office of President and Secretary.

3.3.2 REMOVAL, RESIGNATION AND VACANCIES OF OFFICERS

Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. 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, the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office may be filled by vote of a majority of the Board of Directors. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

3.3.3 DUTIES AND RESPONSIBILITIES OF OFFICERS AND OFFICE MANAGER

3.3.3.1 The President shall be the chief executive officer of the Association and Chairperson of the Board of Directors. The President shall preside at all meetings of the membership and the Board of Directors. The President may be an ex-officio member of all committees except the Nominating and Election Committees. The President shall focus Association effort and resources on areas of concern expressed by the majority of the members, alert the membership to potential problems and develop an effective working organization.

3.3.3.2 The Vice-President shall understudy the President and be fully aware of all matters in process. In the absence or temporary disability of the President, the Vice-President shall perform the duties of the President. The Vice-President may be assigned to work directly on any program or activity and shall have such power and duties of the President, the Board of Directors or that these By Laws may prescribe.

3.3.3.3 The Secretary shall be responsible to record the proceedings of all regular and special meetings of the membership and the Board of Directors, keeping the minutes in proper sequence in a manner to assure their preservation. The Secretary shall be responsible to issue written notices to the membership, such as notices in the Newsletter regarding time, place and subject of membership meetings. The secretary shall perform such other duties as may be prescribed by the Board of Directors or these By Laws.

3.3.3.4 The Treasurer shall receive all funds of the Association. The Treasurer shall disperse Association funds as authorized by the President or the Board of Directors, except as otherwise provided in these By Laws. The Treasurer shall keep and preserve proper vouchers and books of account, which shall be open to inspection by the Board of Directors and subject to audit at any time. The Treasurer shall keep and retain Association funds in such banks or other financial institutions as the Board of Directors may

prescribe. The current signature card for any Association account, or accounts, shall contain the signatures of the Treasurer and at least three Board members. The Treasurer shall direct preparation of an annual budget for consideration and approval by the Board of Directors at its March regular meeting. The Treasurer shall be the custodian of and shall maintain up-to-date records of all Association furniture, equipment and supplies, except such supplies as are consumed in use. Such records shall reflect the current location of each item. The Treasurer shall prepare a reasonably detailed summary of Association receipts and expenditures for the year for presentation to the membership during the first quarter of the following year.

3.3.3.5 The Office Manager shall be appointed by the Board of Directors to perform duties in the day-to-day operation of Association business office per the job description approved by the Board of Directors and shall perform such other duties as the Board of Directors may request under the authority of the By Laws. The Office Supervisor shall be a member of the Board, appointed by the President and approved by the Board. The Office Manager shall report to the Office Supervisor.

3.3.3.6 The board of directors must provide for an annual audit, review or compilation of the association's finances. The audit, review or compilation must be completed no later than 180 days after the end of the fiscal year. Once completed, the audit, review or compilation must be made available to the owners upon request within 30 days after its completion.

3.4 CONFLICTS OF INTEREST

Any board member must declare a conflict of interest if a contract, decision or other action for compensation would benefit a member of the board, or a board member's family. The declaration of conflict of interest must be in an open board meeting and the declaration of conflict of interest must be made before the vote is taken on that issue. Once the conflict of interest is declared, the board member with the conflict of interest can vote on the issue. If the Association is incorporated as a nonprofit corporation, the board member must follow A.R.S. § 10-3830 and A.R.S. §§ 10-3860 through 10-3864.

3.5 ASSUMING DUTIES OF OFFICE

3.5.1 The newly elected Directors shall take office on January 1st following their election. At the first regular meeting of the Board, the new Directors, together with those Directors continuing in office from the previous year, shall hold a Board of Directors organizational meeting. At this meeting, the Board shall elect officers and the President shall assign specific responsibilities for management of the Association, subject to approval of the Board.

3.6 DISBURSEMENTS

3.6.1 Disbursements of Association funds shall be by check signed by two (2) of the persons listed on bank account signature card. One of the signatures shall be that of the Treasurer, if available.

3.6.2 Any persons contracted by the Association must be licensed, bonded and insured as required applicable State regulations.

3.6.3 The Board of Directors shall adopt a spending policy governing expenditures made by individual directors on behalf of the Association.

3.7 ASSOCIATION RECORDS

All financial and other records of the association must be reasonably available for examination by any member or person designated by the member in writing as the member's representative. Owners may have copies and the association may charge reasonable copying costs. Books and records that may be withheld from disclosure are:

1. Privileged communications between an attorney for the Board or the Association.
2. Documents related to pending or contemplated litigation.
3. Meeting minutes or other records of an executive session board meeting.
4. Personal, health and financial records of an individual member of the association, an individual employee of the association, or an individual employee of a contractor for the association.
5. Records related to the job performance of, compensation of, health records of, or specific complaints against, an individual employee of the association or an individual employee of a contractor of the association who works under the direct supervision of the association.

The association is not required to disclose financial and other records of the association if disclosure would violate any state or federal law.

Section 4.0 COMMITTEES

1. ARCHITECTURAL CONTROL COMMITTEE

1.1. To carry out the legal responsibilities by the recorded Covenants, Conditions and Restrictions (CC&R's) pertaining to Prescott Country Club, a functioning Architectural Control Committee, composed of at least five (5) members, shall be in existence at all times. The Chairperson must be a member of the Board of Directors.

1.2. It shall be the duty of the Architectural Control Committee to review all plans for proposed construction or modification of structures within Prescott Country Club. Approval or denial of applications shall be based upon reasonable guidelines approved by the Board of Directors. Where the guidelines and the applicable CC&R's conflict, the CC&R's shall be followed. The committee shall maintain written records of all official actions taken or decisions made, and the basis for such actions. The Committee shall vote on all applications.

1.3. As used in this section, the term "construction" includes construction or installation of any structure, non-natural feature, device or building upon a Lot; the term "modification" includes any change, addition or removal visible to a neighbor or passerby which alters the appearance of a Lot or any structure on a Lot.

2. NOMINATING COMMITTEE

2.1. A nominating committee shall be appointed not later than the July Board of Director meeting to develop a slate of Director Candidates consisting of one or more nominees for each vacancy anticipated for nomination. The chairperson shall be a member of the Board of Directors. The chairperson shall select at least two (2) additional members from the general membership, neither of whom is an Officer or Director or spouse or relative thereof, to serve on the Nominating Committee.

3. OTHER COMMITTEES

3.1. Other committees necessary for day-to-day operation and business of the Association may include Membership, Health and Safety, Weed Control, Public Relations, Community Greeters, Directory and such other committees as the Board may prescribe.

3.2. COMMITTEE FORMATION AND DISSOLUTION

3.3. Committee chairpersons may be appointed from among the Officers and Directors of the Association or the General Membership. Chairperson appointments shall be made by the President, subject to approval of the Board of Directors, except as otherwise provided in these By Laws.

3.4. The President shall not serve as Chairperson of any committee, except that the President may serve as Chairperson of the Architectural Committee if necessary.

3.5. Committee Chairpersons shall recruit their committee members. It shall be within the Chairperson's discretion as to how large the committee shall be and who its members are, except as otherwise provided in these By Laws. Committees larger than three (3) members shall have one (1) member designated as Vice-Chairperson. Only Association members in good standing shall be eligible to serve as Committee members or Committee Chairpersons.

3.6. The President may dissolve any Committee, or remove any Committee Chairperson or Committee member at any time, except as otherwise provide in these By Laws, subject to the approval of the Board of Directors.

Section 5.0 ELECTION AND VOTING PROCEDURES

1. NOMINATIONS

Nominations for election to the Board of Directors of the Association shall be made at the regular October Board meeting. Nominations shall include those made by the Nominating Committee. Any Member may nominate a slate of one or more candidates. The nominated candidates must be present or have consented to the nomination in writing. No person shall be nominated who has not consented to serve if elected.

2. ELECTION BALLOT

The Chairperson of the Nominating Committee shall prepare an election ballot for the Secretary. The ballot shall contain the names of all properly nominated candidates. Write-in candidates shall not be

permitted. Voting will be by non-secret ballot.

2.1. All members will receive a ballot by mail. This ballot will serve as an absentee ballot.

3. ELECTION VOTING

3.1. The Secretary shall be responsible to provide and mail to each eligible Member: (1) security-protected (against duplication) ballot, (2) ballot return envelope, (3) voting instructions and (4) a candidate bio sheet. The voting package shall be mailed to the Member's most recent address on record.

Membership Voting Instructions:

1. Mark ballot with your choices per printed instructions on the ballot.
2. Print your name, address and sign the ballot in the appropriate spaces.
3. The marked ballot shall be placed in the return envelope.
4. Mail or hand deliver the sealed return envelope to the POA office.
5. Ballots will not be accepted without being sealed in the return envelope.

3.2. There shall be a locked receptacle (ballot box).

1. Ballot envelopes received, shall be placed in a ballot box as received at the POA Office. The Secretary shall hold the key.

3.3. Five (5) business days prior to the annual meeting, the Nominating committee shall be automatically dissolved whereupon the Chairperson thereof shall become the Chairperson of the Election Committee and shall conduct the Election. The Chairperson of the Election Committee shall select four (4) or more committee members from the general membership, none of whom are candidates, related to candidates or present Board Members.

4. ELECTION PROCEDURE

4.1. The Secretary shall be responsible for the security of the ballot as they are received at the POA office. Returned ballots shall be stored in the ballot box.

4.2. The Office Manager shall be responsible for the Replacement of Mislabeled or Lost Voter Packages by having the recipient sign a statement that their ballot was lost or not received. The Secretary shall be responsible to provide a total number of members casting valid election ballots.

4.3. The Secretary shall give the locked ballot box and its key to the Election Committee Chairperson by 1 PM on the day of the annual meeting.

4.4. The Election Committee shall begin tabulations after 1 PM on the day of the annual meeting. The Election Committee shall divide the unopened ballots into four (4) or more groups for tabulation. They shall open the ballot envelopes and tabulate the votes using tally sheets. The tally sheets and ballots of each group shall be placed in the locked ballot box until the annual meeting.

The Election Committee Chairperson shall have the key. At the annual meeting, ballots presented in person shall be accepted until the annual meeting is called to order. The Association will also provide for in-person voting at the annual meeting for Members who have not already returned their ballot. All eligible ballots will be counted and the results announced by the Election Committee. The membership may observe the tabulation process.

4.5.Ties: In event of a tie vote for one or more Officer or Director position the Election Committee Chairperson shall announce the tie or ties. The Election Committee shall then distribute a blank ballot to each membership present. The membership present shall then vote on the tie candidates only. The Election Committee shall collect the completed ballots, retire and count them. The Election Committee Chairperson shall announce the results of the voting as soon as the ballots have been counted.

Section 6.0 VOTING PROCEDURES FOR BOARD

6.1 Board Members: The voting on any question shall be by show of hands, Ayes and Nays, roll call or lot.

6.1.1 A.R.S. §§ 10-3821 allows action by the board of directors without a meeting if the action is taken by all of the directors. The action must be evidenced by one or more written consents describing the action taken, signed by each director and included in the minutes of the next board of directors meeting filed with the corporate records reflecting the action taken.

Section 7.0 MEETINGS, QUORUMS AND NOTICE

1. OPEN MEETINGS

1.1. All meetings of the association and the board of directors are open to all members of the association or any person designated by a member in writing as the member's representative. Any portion of a board of directors meeting may be closed to everyone who is not a board member [or a person necessary to the closed portion of the meeting] if that closed portion relates to any one or more of the following:

1. Legal advice from an attorney for the board or the association.
2. Pending or contemplated litigation.
3. Personal, health and financial information about an individual member of the association, an individual employee of the association or an individual employee of a contractor of the association.
4. Matters relating to the job performance of, compensation of, health records of or specific complaints against an individual employee of the association or an individual employee of a contractor of the association who works under the direction of the association.

On final resolution of any matter for which the board received legal advice or that concerned pending or contemplated litigation, the board may, but is not required to, disclose information about that matter in an open meeting except for matters that are to remain confidential by the terms of a settlement agreement or judgment.

The board of directors may close a hearing regarding a fine imposed on an owner actually attended by the member/owner, because the matter is "personal" and often financial. It also allows the board to close discussions on sanctions for violations if the discussion involves "personal" or financial information of an owner. Members and their designated representatives may also speak at a board of directors meeting. The member or their designated representative can speak at an appropriate time during the deliberations and proceedings. The board must also permit the member or designated representative to speak before the board takes formal action on an item under discussion. The board may place reasonable time limitations of five minutes maximum on persons speaking during the meeting, but must allow a reasonable number of persons to speak on each side of an issue.

1. General

Unless otherwise provided in these By Laws, the term "notice" shall mean by written communication. Any such communication may be in the form of the Association newsletter or any other reasonable format. If notice is for the purpose of considering a specific motion, proposal or language of a document, the exact language proposal shall be stated in the notice. Notice shall contain the date, time, place and purpose of meeting. Notice shall be posted two (2) days prior to the meeting.

2. Notice for General Membership meetings.

2.1. Regular General Membership Meetings: All Members shall be notified of the meeting at least 30 calendar days prior to the meeting. The notice of the meeting shall contain the date, time, place and purpose and shall be mailed, surface or electronic, to the latest address of record.

2.2. Special General Membership meetings: All Members shall be notified within 30 calendar days of the meeting. The notice of the meeting shall contain the date, time, place and purpose and shall be mailed, surface or electronic, to the latest address of record.

2.3. Notice for Board of Director Meetings

1.Regular Board of Director meetings: A minimum of two (2) days prior to the meeting. The notice shall contain the date, time, place and purpose of the meeting. Such notice shall be delivered in person or by prepaid U.S. Mail, newsletter, conspicuous posting or any other reasonable means as determined by the Board of Directors.

2.Special Board of Director Meetings: A minimum of two (2) business days prior to the meeting except that notice is not required if emergency circumstances require action by the Board before notice can be given.

3.Emergency Meeting: An emergency meeting of the Board may be called to discuss business or take action that cannot be delayed for the forty-eight hours required for notice. At any emergency meeting called by the Board, the Board may act only on emergency matters. The minutes of the emergency meeting shall state the reason necessitating the emergency meeting. The minutes of

the emergency meeting shall be read and approved at the next regularly scheduled meeting of the Board.

3. BOARD OF DIRECTORS MEETING

3.1. The Board of Directors shall hold a regular meeting once each calendar month at the time and place determined by the Board. The monthly meeting shall not be held if there is no new or unfinished business on the agenda.

3.2. Special Board of Directors Meetings may be called by the President or by any three (3) members of the Board, or by a written petition with one hundred (100) membership signatures (only one signature per membership), delivered to the President. The meeting shall be held within ten (10) business days and notice posted within two (2) business days prior to the meeting.

4. REGULAR MEMBERSHIP MEETINGS

4.1. Regular membership meetings shall be held at a time and place determined by the Board of Directors.

5. SPECIAL MEMBERSHIP MEETINGS

5.1. Special Membership Meetings may be initiated by: (1) the President; (2) a majority of the Board of Directors; or (3) by a petition of 10% of the membership signatures (only one signature per membership) and a written statement of purpose of the meeting, delivered to the President. Notice must be mailed to all members at the latest address of record, surface or electronic, within ten (10) calendar days upon receipt of the of the petition from the initiating party. The meeting shall not be held until 10 days after mailing of notice and shall be held within 30 days of initiating parties' request.

6. QUORUMS

6.1. A majority of the Board of Directors shall constitute a quorum for the transaction of business. (Example: For a 9 member Board, the quorum is 5)

6.2. Except as otherwise provided in these Bylaws or in the Declaration, the presence, in person and/or by absentee ballot, of forty (40) memberships shall constitute a quorum at all Association member meetings.

7. AGENDA

7.1. The final agenda of all meetings of specific matters to be discussed, considered or decided at the meeting shall be posted and available at the POA office at least 24 hours prior to the meeting (except emergencies).

Section 8.0 VACANCIES AND REMOVAL

1. RESIGNATION

1.1. A Director resignation should be in writing with specific date, and shall be deemed to have been irrevocably tendered upon its delivery in writing to the President or any other Officer or Director or on such later date as specified in the written resignation.

1.2. A Director shall be deemed to have resigned by unexcused failure to attend three (3) consecutive regular Board of Directors meetings. Upon adjournment of the third consecutive missed meeting, the Board shall reconvene immediately, declare the position vacant, and so notify the removed Director at the earliest reasonable date.

2. VACANCIES

2.1. Vacancies on the Board of Directors caused by any reason shall be filled by vote of the majority of the remaining directors even though less than a quorum, or by the remaining director if there be only one. Vacancies of any Board position shall be filled in accordance with the Order of Succession table below by the vote of the majority of the Board. In the event that the first priority person is unable or unwilling to fill the office vacated, then succession shall fall to the next priority designation in sequence until a willing replacement is found.

ORDER OF SUCCESSION

<u>Bd. Position</u>	<u>First Priority</u>	<u>Second Priority</u>	<u>Third Priority</u>
President	Vice President	Other Bd. Mbr	Gen'l
Vice President	Other Bd. Mbr.	Gen'l Membership	Membership
Secretary	Other Bd. Mbr.	Gen'l Membership	
Treasurer	Other Bd. Mbr.	Gen'l Membership	
Director	Gen'l Membership		

2.2. Any person appointed to fill a vacancy shall serve the remainder of the term to which his or her predecessor was elected or appointed.

3. REMOVAL FROM OFFICE

Directors may be removed, with or without cause, subject to the requirements of A.R.S. §33-1813.

Section 9.0 LEGAL COUNSEL

9.1 The hiring of any attorney or law firm, for any purpose shall require advance approval of the Board of Directors.

Section 10.0 PROHIBITED ACTIVITIES

1. ENDORSEMENT OF POLITICAL CANDIDATES

This Association shall not endorse or have the appearance of endorsing any candidate for any political office.

2. OTHER PROHIBITED ACTIVITIES

This Association shall not undertake or perform any prohibited act pertaining to nonprofit corporations defined in section 501 of the Internal Revenue Code or any corresponding provisions of any future Federal or State laws or regulations as may now be in force or effect, or at any time hereafter be enacted or amended.

Section 11.0 AMENDMENTS

11.1 Upon written notice, as provided in the article hereof entitled “Meetings, Quorums and Notice”, these By Laws may be amended by a majority of the Association membership voting. The term “amended” shall include additions, deletions and changes in language. Voting on amendments may be by written ballot of the membership in lieu of a regular or special membership meeting. Exception: Changes that are required to bring the By Laws into compliance with State Statutes may be made by the PCC POA Board, following the process listed below.

1. The PCC POA Board President shall appoint a committee to prepare draft language amending the By Laws to achieve compliance with State Statutes.
2. A copy of the draft shall be distributed to all Board members a week before the next regular Board meeting.
3. At the next Board meeting, Board members shall review the proposed wording and make any further revisions required to obtain approval by a vote of a majority of the Board members present.
4. In the first quarter of each calendar year, the Board shall consolidate all revisions resulting from State Statute changes plus any revisions resulting from the normal, membership-approved process. Issue an addendum containing all of these changes, and make a copy available at the PCC POA office.