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March 1, 2022

**Via U.S. Mail**

Unit Owners  
Prescott Lakes Community Association, Inc.

**Re: Proposed Amended and Restated By-Laws**

Dear Unit Owners:

Your Board of Directors, working with our firm, has completed the process of amending and restating the By-Laws of Prescott Lakes Community Association, Inc. (“By-Laws”). The primary purposes of these changes are to remove irrelevant or expired provisions, bring the By-Laws in line with the law, and to suggest additional changes to help the Association operate more smoothly and effectively.

**Summary of Changes**

The following is a list of the major changes, separated by type of change. Please refer to the enclosed redline for all changes. Please note that section numbers referencing provisions that were added or changed refer to the proposed Amended and Restated By-Laws. Section numbers referencing provisions that were removed refer to the original By-Laws.

Removal of Irrelevant Provisions:

1. Removed the provision regarding Class “A” and Class “B” voting (Sect. 2.1).
2. Removed the provisions regarding the powers of the Class “B” member (throughout).

Updated Provisions to Comply with the Law:

1. Added the requirement that the annual meeting be held in the State of Arizona, as required by the Planned Community Act (Sect. 2.2).

2. Updated the provision regarding the percentage of Voting Members required to call a special meeting to comply with the Arizona nonprofit corporation act (Sect. 2.4).
3. Updated the provision regarding notice of annual meetings to comply with the Planned Community Act (Sect. 2.5).
4. Updated the provisions regarding adjourning and reconvening meetings to comply with the Planned Community Act (Sect. 2.7).
5. Replaced references to proxies with references to absentee ballots, in accordance with the provisions of the Planned Community Act (Sect. 2.9).
6. Updated the provisions regarding notice of Board meetings to comply with the Planned Community Act (Sect. 3.9).
7. Removed the provision allowing the Board to meet without giving the Members notice, as it is contrary to the Planned Community Act (Sect. 3.11).
8. Updated the provisions regarding open and closed Board meetings to comply with the Planned Community Act (Sect. 3.13).
9. Updated the provision regarding Board action without a meeting by unanimous written consent of all Directors per the Arizona nonprofit corporation act (Sect. 3.14).
10. Updated the provisions regarding limitation of director liability and indemnification of officers, directors, and committee members and limitation of liability of same, to more closely match the Arizona nonprofit corporation act (Sects. 3.22 and 3.23).
11. Updated the provisions regarding review of Association records to match the Planned Community Act (Sect. 6.3).

Updated Provisions to Help the Association Operate More Smoothly:

1. Updated the qualifications for Voting Members (Sect. 2.8) and directors (Sect. 3.1).
2. Added flexibility regarding the number of directors (Sect. 3.2).
3. Updated and simplified the provisions regarding the Nominating Committee to help the Association run more smoothly (Sect. 3.3(a)).
4. Added flexibility for election of Directors and added a provision allowing for electronic voting by Voting Members (Sect. 3.3(b)).
5. Added a provision establishing two-year, staggered terms (Sect. 3.4).
6. Added a provision regarding resignation of directors (Sect. 3.6(c)).
7. Updated the powers of the Board (Sect. 3.16).
8. Updated and simplified the provisions regarding a Member's hearing in relation to an enforcement action by the Association against the Member (Sect. 3.22).
9. Updated the provision regarding election and term of office of officers (Sect. 4.2).
10. Removed the Covenants Committee and replaced it with the Neighborhood Advisory Committee (Sect. 5.2).
11. Removed the provision regarding use of Robert's Rules of Order (old Sect. 6.2).
12. Updated the provision regarding a Director's rights to review Association records (Sect. 6.3).
13. Gave the Board, instead of the Declarant, the unilateral right to amend the Bylaws in certain circumstances (Sect. 6.5(b)).

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Prescott Lakes Community Association, Inc.  
March 1, 2021  
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## Approval Process

Both the clean copy and redlined version of the proposed Amended and Restated By-Laws (showing the proposed changes) can be found on the Association website. The Association is seeking Voting Member approval for the proposed Amended and Restated By-Laws. The approval of the Voting Members will take place after a poll of the Units in each Neighborhood. Please indicate your preference regarding the proposed Amended and Restated By-Laws by completing and returning the enclosed Poll to the Association in accordance with the instructions on the form.

If you have any questions regarding the proposed Amended and Restated By-Laws, please contact community manager Anthony Sotelo at [asotelo@hoamco.com](mailto:asotelo@hoamco.com) or 928-776-4479 ext. 1138.

Thank you, in advance, for your participation in this matter.

Sincerely,



Adrienne A. Speas

Enclosure:

- (1) Neighborhood Poll - Amended and Restated By-Laws