

When Recorded Return To:
Smith & Wamsley, PLLC
5285 East Williams Circle, Suite 2000
Tucson, AZ 85711

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE HIGHLANDS SUBDIVISION
UPDATING THE CORPORATE MEMBERSHIP FEE**

This Resolution updating the Corporate Membership Fee is made by the Board of Directors of The Highlands Inc. ("Association"), an Arizona non-profit corporation.

RECITALS

WHEREAS the First Declaration of Covenants, Conditions, and Restrictions for the Highlands, Inc. ("Original Declaration") was recorded on October 19, 1960, in the Pima County Recorder's Office at Docket 1687, page 129;

WHEREAS the Original Declaration was amended and replaced by the 2019 Amended and Restated Declaration of Covenants, Conditions and Restrictions, recorded on March 20, 2019, in the Pima County Recorder's Office at Sequence Number 20190790198 ("CC&Rs");

WHEREAS the CC&Rs were amended by the First Amendment to 2019 Amended and Restated Declaration of Covenants, Conditions and Restrictions recorded on March 1, 2022, in the Pima County Recorder's Office at Sequence Number 20220600715 ("First Amendment");

WHEREAS Section 2(a) of the CC&Rs establishes a mandatory Corporate Membership Fee;

WHEREAS the Corporate Membership Fee is subject to adjustment by the Board of Directors; and

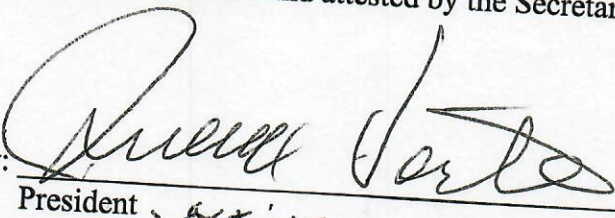
WHEREAS, the Board of Directors has determined that the Corporate Membership Fee needs to be updated.

NOW, THEREFORE, effective as of the ___ day of November 2023, the Corporate Membership Fee for The Highlands shall be \$1,500.00 unless and until further modified by the Board of Directors.

IN WITNESS WHEREOF, the Board of Directors has resolved to approve the foregoing updated Corporate Membership Fee as of November 15, 2023. This Resolution is signed by the President of the Board and attested by the Secretary of the Board.

By:

President


acting

Date:

12/8/2023

Attested

By:

Secretary



Date:

12/7/2023

Re: 20231720228

TRACK DOWN-SMITH-HIGHLANDS
PICKUP

20231720228

NOTICE

06/21/2023 12:01:16 PM

Page: 1 of 3

Gabriella Cázares-Kelly Recorder

OFFICIAL RECORDS OF PIMA COUNTY, AZ

When Recorded Return To:

Smith & Wamsley, PLLC
7375 East Tanque Verde Road
Tucson, Arizona 85715

**NOTICE REGARDING NON-RECORDING OF
BYLAWS AND ARTICLES OF INCORPORATION**

FOR

THE HIGHLANDS, INC.

**NOTICE REGARDING NON-RECORDING OF
BYLAWS AND ARTICLES OF INCORPORATION
FOR THE HIGHLANDS, INC.**

This Notice Regarding Non-Recording of Bylaws and Articles of Incorporation ("Notice") is made as of this ____ day of June, 2023 by The Highlands, Inc. ("Association").

RECITALS

WHEREAS, the Association is incorporated, in part, by the Articles of Incorporation of the Highlands, Inc. dated February 1, 2000 and recorded in the Pima County Recorder's Office on February 1, 2000 at Sequence Number 20000210148; the Articles of Incorporation of the Highlands, Inc., dated February 21, 2017 and recorded in the Pima County Recorder's Office on February 22, 2017 at Sequence Number 20170530134; and the Amendment to Articles of Incorporation dated February 5, 2021 and recorded in the Pima County Recorder's Office on February 24, 2021 at Sequence Number 20210550473 (collectively referred to as "Recorded Articles");

WHEREAS, the Association is governed, in part, by the Bylaws of the Highlands, Inc., dated February 4, 2000 and recorded in the Pima County Recorder's Office on March 9, 2000 at Sequence Number 20000470513; Bylaws of the Highlands, Inc., dated May 6, 2004 and recorded in the Pima County Recorder's Office on May 7, 2004 at Sequence Number 20040890298; Bylaws of the Highlands, Inc., dated February 21, 2017 and recorded in the Pima County Recorder's Office on February 22, 2017 at Sequence Number 20170530133; and the Amendment to Bylaws of the Highlands, Inc., dated February 16, 2021 and recorded in the Pima County Recorder's Office on February 24, 2021 at Sequence Number 20210550474 (collectively referred to as "Recorded Bylaws");

WHEREAS, the Association desires to no longer record any of its Articles of Incorporation or Bylaws, and the Association is not obligated to do so by law or otherwise.

NOW, THEREFORE, the Association will no longer record any of its Articles or Bylaws or amendments thereto. Any individuals looking for the most current version of the Articles of Incorporation, or any amendments thereto, can find the same through the Arizona Corporation Commission, and for the most current version of the Bylaws, or any amendments thereto, can request a copy of the same through the Association directly.

I, the undersigned, am the President of the Association. By signing below, I affirm the foregoing is true and correct. I am authorized to execute this Notice on behalf of the Association for the purposes set forth above.

Sara Danville Gelhaus

Sara Danville Gelhaus, President
The Highlands, Inc.

State of Arizona

)

County of Pima

) ss.

)

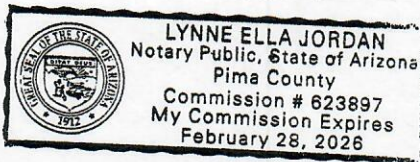
SUBSCRIBED, SWORN TO, AND ACKNOWLEDGED before me this 13 day
of June, 2023 by Sara Danville Gelhaus, the President of The Highlands, Inc., an Arizona
nonprofit corporation, for and on behalf of the corporation.

Lynne Jordan

Notary Public

My Commission Expires:

2/28/26





SEQUENCE: 20170530133
NO. PAGES: 12
BYLAW 02/22/2017
11:15:17
MAIL
AMOUNT PAID: \$17.00

W

LAURINE HARTMAN
201 W SHENANDOAH ST
ORO VALLEY AZ 85737

**BY-LAWS
OF
THE HIGHLANDS, INC.**

Revised & Accepted

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**BY-LAWS
OF
THE HIGHLANDS, INC.**

**ARTICLE I
OFFICE**

Principal Office

The principal office of the Corporation shall be at THE HIGHLANDS, INC. (THI), 332 West Matterhorn Street, Oro Valley, State of Arizona 85737

**ARTICLE II
MEMBERS**

Section 1 Membership

- a. Whenever required, in this document, the singular number shall be held to include the plural number and vice versa. All words used in any gender shall extend to and include all genders.
- b. Membership and voting rights in THI shall be limited to the legal or equitable owner of a home site within the boundaries of The Highlands Subdivision (the Subdivision) as recorded in the Office of the County Recorder of Pima County, Arizona. Any member who has disposed of all interest in the home site in said Subdivision shall thereupon cease to be a member of THI and that membership and voting rights shall automatically be transferred to the successor owner of such home site. Members shall be limited to legal or equitable owners of one or more home sites in the Subdivision. No owner may hold more than three memberships as recorded by THI. No person shall be entitled to own more than one membership per home site in which said person holds an ownership interest in the Subdivision. In the event any new home site is created in the Subdivision, the owner must purchase a membership in THI upon payment or making appropriate arrangements for payment of the sum of Seven Hundred Sixty Dollars (\$760).

- c. In the event any home site is enlarged by the acquisition of an adjacent lot or portion of a lot, the certificate of the acquired home site is declared null and void. There shall be no refund of the original certificate purchase price to either the seller or buyer.

Section 2 Annual Meetings

Annual meetings of THI membership shall be held the first Friday in February of each year, at which time there shall be elected new directors to the Board of Directors to fill any expired term. Each annual meeting will require the posting of an agenda at least ten (10) days in advance of the scheduled meeting in accordance with the requirements for posting of notices set forth hereinafter. Business to be conducted will include the election of Board members, annual reports, new and old business, and specific issues which require or upon which the Board deems it desirable to entertain membership discussion and majority vote.

Election Procedure

- a. All candidates must be members of THI and have all fees and assessments currently paid.
- b. Resumes of all candidates who are not write-in candidates must be received at The Highlands, Inc. office no less than 45 days before the annual meeting.
- c. All candidates shall be given the opportunity to express their views at the open Board meetings immediately preceding the annual meeting.
- d. The voting and election are to be conducted at the annual meeting. Absentee voting procedures are permitted.
- e. There will be no call for nominations from the floor at the annual meeting based on the nomination opportunities noted in b, c & d above.

Section 3 Special Meetings

Special meetings of the members for any purpose or purposes other than those regulated by statute may be called for by the President or shall be called by the President or the Secretary at the request, in writing, of a majority of the Board of Directors. Such request shall state the purpose or purposes of the proposed meeting. No special meetings shall be called between June 1 and October 1 of any year unless the Board of Directors first declares there is an emergency which affects the public health and safety in the Subdivision and requires immediate action.

Section 4 Notice of Special Meetings

With the exception of emergency meetings, THI shall give notice of the time, place and purpose of holding the meeting. The notice shall be mailed at least twenty (20) calendar days prior to the meeting at the respective addresses of the members as they appear on the records of THI.

Section 5 Emergency Meetings Upon Waiver

Emergency meetings may be called by the Board of Directors as set forth above or by a quorum of the membership upon waiver of notice of time and place for holding such meeting.

Section 6 Voting Rights

Each member of THI shall be entitled to vote as set forth in Section 1 of this Article. Members shall be entitled to vote only if they are current with any and all dues and assessments. Each such qualified member shall be entitled to vote, whether represented in person or absentee ballot. In the event any home site in the Subdivision is owned or is being purchased under contract by two or more persons, said legal or equitable owners shall designate to THI one of their number who shall have the power to vote said ownership at any meetings of the members.

Section 7 Quorum

A quorum at any scheduled meeting requiring a vote of THI shall consist of one-third (1/3) of those members entitled to vote, represented in person or by absentee ballot.

Section 8 Adjournment of Meetings

If, at any annual or special meeting, a quorum shall fail to attend in person or by absentee ballot, a majority of those members attending in person at the time said meeting is called may, at the end of one-half hour, adjourn the meeting.

Section 9 Method of Voting

Voting at the scheduled meeting shall be by secret ballot or absentee ballot.

ARTICLE III

DIRECTORS

Section 1 Power of Directors

The business property and affairs of THI shall be managed, controlled and conducted by a Board of Directors. Normal Board of Directors' business shall be conducted by not less than five (5) Directors. However, in time of emergency, such as death, resignation or prolonged absence, Board functions may be conducted by a simple majority of remaining Board members.

- a. All Community Areas (Block 1, all streets, walkways, drainage ways, easements and all other areas now or hereafter designated by THI as Community Areas, and all recreational and functional buildings, structures, facilities, landscaping and/or other improvements thereon) shall remain the property of THI. THI shall maintain and care for all Community Areas and shall install and consistently maintain such improvements, planting and landscaping on such portions of the Community Areas as THI shall deem desirable.
- b. Speed limit is 15 miles per hour on all streets. Violators may be reported by any resident to Oro Valley Police Department, giving license numbers, time and place.
- c. THI Board of Directors has the authority to select and require the community to use a single waste/recycling hauler to assure minimum wear and tear of our community streets.
- d. The Board of Directors may form special committees of non-board members for special projects.

Section 2 Number and Terms of Office

The Board of Directors shall consist of nine (9) THI members. Every year, three members shall retire from the Board and three members shall be elected by the membership of THI at the annual meeting. Each Director shall serve a term of three (3) years and shall be limited to two consecutive elected terms.

Section 3 Vacancies

In the event of a vacancy among the Directors, through death, resignation, disqualification or other cause, the remaining Directors, by affirmative vote of a majority thereof, may appoint a successor to hold office for the unexpired portion of the term of the Director. First consideration shall be given to the candidates from the last election that were on the ballot.

Section 4 Special Meetings

Special meetings of the Board of Directors may be called by the President or by a majority of the Directors at any time during their term of office.

Section 5 Organizational Meetings

An organizational meeting of the Board of Directors for the election of officers, and the transaction of such other business as may be necessary, shall be held following the annual meeting. No notice thereof shall be required to be given to any newly elected Director. All other meetings of the Board shall be held periodically or as determined by the Board of Directors and as determined by the Arizona Statute regulating Board meetings.

Section 6 Notice of Meeting

The Secretary shall give, or cause to be given, notice of the time, place and agenda of each meeting to the Directors at least five (5) days prior to such meeting. The Secretary shall also post a copy of such notice on the bulletin board in the community clubhouse for at least five (5) days immediately preceding each meeting of the Board of Directors.

Section 7 Special Meetings on Waiver

Special meetings of the Directors may be held at any time and place upon waiver of notice of time and place for holding such meeting signed by two-thirds of the Directors of THI.

Section 8 Quorum

A majority of the Board of Directors shall constitute a quorum for the transaction of business. If at any meeting of the Board there is less than a quorum present, the meeting will be adjourned.

Section 9 Waiver of Notice

Any Director may, at any time, waive notice required to be given under these By-Laws. The presence of a Director in person at any Directors' meeting shall be conclusively deemed such a waiver.

Section 10 Seal

The Board of Directors shall provide a suitable seal containing the name THI and the words "Incorporated, Arizona, 1991." An imprint of such seal shall be affixed to the margin of all official documents.

Section 11 Executive Committee

The Board of Directors may appoint an Executive Committee consisting of three (3) or more members of the Board to act upon such matters as may be designated from time to time by the Board.

Section 12 Removal of Director

A Director may be removed from office with or without cause by the affirmative vote of a majority of a quorum of THI present at any scheduled meeting. Failure of a Director to pay maintenance fees and assessments shall be given due notice to pay such within fifteen (15) days or be automatically removed from the Director position for the duration of his term.

Section 13 Executive Session

At any meeting of the Board of Directors, a majority may vote to conduct any portion or portions of such meetings in executive session and exclude any non-directors from such portion or portions of the meeting in accordance with State Statutes.

Section 14 Declaration of Restrictions

The CC&Rs or Declaration of Restrictions shall govern all actions of the Board of Directors and the membership. By-Laws of THI may complement but not supersede the CC&Rs.

ARTICLE IV

OFFICERS

Section 1 Officers

The officers of THI shall be a President, one or more Vice-Presidents, a Secretary, a Treasurer and such other officers and agents as may, from time to time, be chosen by the Board of Directors. The Board may create the office of Assistant Secretary and/or Assistant Treasurer who need not be members of the Board. All officers shall be subject to removal from office at any time with or without cause by the affirmative vote of a majority of the full Board. Each officer's term shall be for a period of one year unless he is removed, resigns or is unable to perform the duties of his office. The Board of Directors, by majority vote, shall have the power to appoint "acting" officers during periods of temporary absence or disability. Any "acting" officer shall have the full right, powers and duties which are vested in the officers of THI by these By-Laws.

Section 2 President

The President shall preside at all meetings of the Directors and members, and shall have general charge and control of the day-to-day affairs of THI subject to the Board of Directors.

Section 3 Vice-Presidents

The respective Vice-Presidents shall have such powers to perform such duties as are delegated to him by the Board of Directors. In the absence or temporary disability of the President, the Vice-President shall perform the duties and exercise the powers of the President.

Section 4 Secretary

The Secretary shall keep the minutes of all meetings of the Board of Directors and all the minutes of the meetings of THI, and shall attend to the giving of any and all notices required to be given. Two designated Board members shall sign in the name of THI on all contracts and instruments of conveyance authorized by the Board of Directors. The Secretary shall have charge of all the books of THI transactions and correspondence, and shall perform all duties incident to the office of Secretary, subject to the control of the Board of Directors. The Secretary

shall submit such reports to the Board of Directors as may be, from time to time, required by the Board.

Section 5 Treasurer

The Treasurer shall have custody of all funds and securities of THI. He shall endorse, on behalf of THI, all collections. He will obtain a second signature of one or more designated Board members on all checks and notes. He will make deposits in such banks or depositories as the Board of Directors shall designate. He shall keep, maintain and make available accurate books of account and financial records for THI, and shall make monthly reports to the Board of Directors. The Treasurer shall further perform all acts and things incident to the office of Treasurer, subject to the control of the Board of Directors, and shall be bonded by THI for the faithful performance of his duties in such amount as the Board of Directors shall fix and determine. An annual operating budget shall be established prior to the fiscal year. A resource requirement study on future THI expenditures shall be integrated with the budget plan to evaluate future maintenance fees and/or assessments. An independent review of THI's financial records shall be performed following the closing of the books each fiscal year, and presented to the residents at the first open meeting following the completion of the review.

Section 6 Compensation

No compensation shall be paid to any Director or officer of THI for acting as a Director or officer of the Corporation.

ARTICLE V

FEES AND ASSESSMENTS

Purpose

All fees and assessments levied by THI shall be used for the purpose of promoting the general benefit, recreation, health, safety and welfare of the owners of the properties in the Subdivision or as may otherwise be provided for under the CC&Rs which now or in the future affect the Subdivision. Such purposes shall include the provision for the improvements, construction,

repair, maintenance and management of community areas and the improvements and facilities thereon; and further shall include the maintenance, care and upkeep of the planting and other landscaping of the community areas.

ARTICLE VI INDEMNIFICATION

THI indemnifies all members who have conducted THI business in good faith in connection with or resulting from any claim, action, suit or proceeding by reason of his being or having been a Director, officer or employee of THI. The members, officers and Directors, and the members of an Executive Committee, shall not be individually or personally liable for THI's debts or other liabilities, and the private property of such individuals shall be exempt from any corporate debts or liabilities.

ARTICLE VII AMENDMENT OF THE BY-LAWS

Section 1 Amendment by the Members

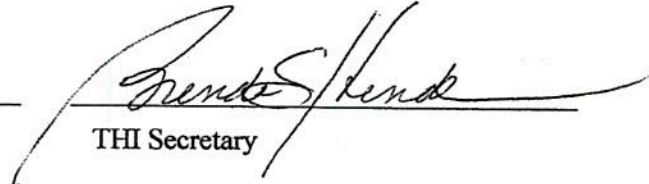
These By-Laws may be altered or amended only by the affirmative vote of a majority of the members, voting in person or absentee ballot, at the scheduled annual meeting.

Section 2 Amendment by Directors

The Board of Directors shall have the responsibility to constantly evaluate the applicability of existing By-Laws and to recommend any revisions or additions for approval of a majority of the members, voting in person or absentee ballot, at a special or annual meeting.

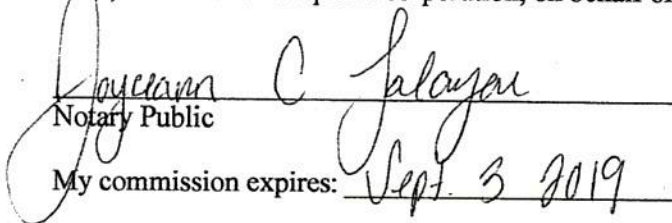
These By-Laws contain the revisions approved by a majority of the electorate by secret ballot at THI Annual meetings in February of 2001, 2002, 2004 and 2017. Revised this 21 day of February, 2017.


THI President


THI Secretary

STATE OF ARIZONA)
) ss
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me this 21 day of February, 2017, by Patrick Yurczyk, the President, and Brenda Henderson, the Secretary, of THE HIGHLANDS, INC., an Arizona non-profit corporation, on behalf of the Corporation.


Notary Public
My commission expires: Sept. 3 2019

