

# *BY-LAWS OF TEMPE GARDENS TOWNHOUSE CORPORATION*

## *ARTICLE I*

### *Offices*

*Section 1. Principal Offices.* The principal offices of the corporation shall be in the City of Tempe, County of Maricopa, and State of Arizona.

*Section 2. Other Offices.* The corporation may establish such office or offices at such other places as the Board of Directors may from time to time designate.

## *ARTICLE II*

### *Eligibility of Membership*

*Membership in the corporation, except for membership of the incorporates and the first Board of Directors, shall be limited to record owners of equitable title of townhouse unit constructed on the following described premises, which have been submitted as a horizontal property regime pursuant to Section 1, Title 33, Chapter 4.1, Article 1, Sections 333-551 to 33-561, inclusive, of the Arizona Revised Statutes:*

*Tract A, Tempe Gardens Unit One, Book 100, page 46,  
Maricopa County Records, Tract B, Tempe Gardens  
Unit Two, Book 102, page 22, Maricopa County Records  
Tract C, D, and E, Tempe Gardens Unit Three, Book 103,  
Page 103, page 33, Maricopa County Record s.*

*One membership in the corporation shall be issued to the record owner of equitable title of each townhouse unit. The record owners of equitable title collectively shall be called the Council of CO-owners. In the event any such townhouse unit is owned by two or more persons, whether as community property, by joint tenancy, tenancy in common or otherwise, the membership as to such townhouse unit shall be joint and a single membership for such townhouse unit shall be issued in the names all the owners, and they shall designate to the corporation in writing at the time of issuance, one person who shall hold the membership and have the power to vote said membership. No membership shall be issued to any other person or persons except as they may be issued in substitution for outstanding memberships assigned to new record owners of equitable title.*

## ARTICLE III

*Section 1. Annual Meetings.* The first annual meeting of the council of CO-owners of the corporation shall be held within sixty (60) days after the builder has constructed and conveyed fifty-one per cent (51%) of the total number of townhouse units to be constructed within the premises as described in Article II above, or units to be constructed within the premises as described in Article II, or within one (1) year from the date of incorporation, whichever is sooner. Thereafter, the annual meetings of the council of CO-owners shall be held on the Third Thursday in August, or at such other time as the council of CO-owners may by majority vote approve. At such meeting there shall be elected a Board of Directors in accordance with the requirements of Article of these by-laws. The council of CO-owners may also transact such other business of the corporation as may properly come before them.

*Section 2. Special Meetings.* Special meeting of the council of CO- owners for any purpose or purposes other than those regulated by statute may be called by the President as directed by resolution of the Board of Directors or upon a petition signed by a majority of the members. Such petition shall state the purpose or purposes of such proposed meeting. No business shall be transacted at a special meeting except as stated in the notice unless by consent of 4/5ths of the members present, either in person or by proxy.

*Section 3. Notice of Special Meeting.* The President or Secretary shall give or cause to be given notice of the time, place and purpose of holding each special meeting by mailing or hand delivering such notice at least five (5) days prior to such meeting to each member of the council of CO-owners at the respective addresses of said members as they appear on the records of the corporation.

*Section 4. Quorum.* The presence, either in person or by proxy, of at least fifty-one percent (51%) of the members of the council of CO-owners of record shall constitute a quorum of the council of CO-owners of record shall constitute a quorum of the council of CO-owners for all purposes unless the representation of a larger group shall be required by law, by the Articles of Incorporation, or by these by-laws, and in that event representation of the number so required shall constitute a quorum.

*Section 5. Voting Right.* Each member of the council of CO-owners being present in person by proxy shall be entitled to one vote for each townhouse unit owned by said member.

*Section 6. Adjournment of Meetings.* If the number of members Necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place of meeting, the Chairman of the meeting or a majority in interest of the members present in person or by proxy, may adjourn the meeting from time to time without notice other than an announcement at the meeting, until the necessary number of members shall be in attendance. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

*Section 7. Proxies.* A member may appoint only his or her spouse or any joint owner of his townhouse or any other member of the council of CO-owners as a proxy. Any proxy must

*be filed with the Secretary before the appointed time of each meeting or upon the calling of the meeting to order.*

*Section 8. Waiver of Notice. Any member may at any time waive any notice required under these by-laws. The presence of a member in person at any meeting of the council of CO-owners shall be deemed such a waiver.*

## **ARTICLE IV**

### **Directors**

*Section 1. Number and Qualification. The business, property, and affairs of the corporation shall be managed, controlled and conducted by a Board of Directors consisting of five (5) members.*

*Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the corporation, and may do all such acts and things as are not by law or by these by-laws directed to be exercised and done by the members. The powers of the Board of Director shall include, but not be limited to, all of the rights and duties of the Board of Director as set forth elsewhere in the by-laws and the Articles of Incorporation and in the Declaration of Restrictions applicable to the property described in Article II above, and shall also include the power to promulgate such rules and evaluations pertaining to such rights and duties as may be deemed proper and which are consistent with the foregoing. The Board of Director may delegate such duties as appear in the best interests of the corporation and to the extent permitted by law.*

*Section 3. Election and Term of Office. The term of the Directors named in the Articles of Incorporation shall be until the first annual membership meeting or until their successors are duly chosen and qualify. Their successors shall be elected at the first annual meeting of the council of CO-owner. A new Board of Directors shall be elected by the council of CO-owner at each regular annual meeting thereafter and shall hold office for a term of one (1) year and until a successor shall be elected and shall qualify except as hereinafter otherwise provided. The number of Directors may be altered from time to time by the action of a majority of the members of the council of CO-owners at any regular or special meeting called for such purpose. In the event of any increase in the number of directors in advance of the annual meeting, each additional director shall be elected by the then Board of Directors and hold office until his successor is elected and shall qualify.*

*Section 4. Vacancies. Vacancies on the Board of Directors caused by any reason shall be filled by vote of the majority of the remaining directors even though they may consist of less than a quorum and each person so elected shall be a director until his successor is elected by the members of the council of CO-owners at the next annual meeting.*

*Section 5. Removal of Directors. At any regular or special meeting of the council of*

*CO-owners any one or more of the of directors may be removed with or without cause at any time by the affirmative vote of seventy-five per cent ( 75) of the entire membership of record and a successor or successors may then be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.*

*Section 6. Compensation. No compensation shall be paid to director for their service as director. No remuneration shall be paid to a director for services performed by him for the corporation in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors.*

*Section 7. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such time and place as shall be fixed at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors constitute such meeting, providing a majority of the whole Board shall be present.*

*Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for the meeting.*

*Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as herein above provided ) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least fifty per cent (50%) of the directors.*

*Section 10. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.*

*Section 11. Quorum. A majority of the Board of Directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary in the interests of the corporation provided that no meeting may be adjourned for a period longer than thirty (30) days.*

*Section 12. Adjournments. The Board of Directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary in the interests of the corporation, provided that no meeting may be adjourned for a period longer than thirty (30) days.*

*Section 13. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the corporation handling or responsible for corporation funds shall furnish adequate Fidelity Bonds. The premiums on such bonds shall be paid by the corporation.*

## ARTICLE V

### Officers

*Section 1. Designation. The principal officers of the corporation shall be a President, a Vice President, a Secretary, a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an Assistant Secretary and Assistant Treasurer and such other officers as in their judgment may be necessary.*

*Section 2. Election of Officers. The officers of the corporation shall be elected by and from the Board of Directors at the organizational meeting of each new Board.*

*Section 3. Removal of Officers. Upon an affirmative vote of three-fourths (3/4) of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.*

*Section 4. President. The President shall be the chief executive officer of the corporation. He shall preside at all meetings of the members and of the Board of Directors. He shall have all of the general powers and duties which are normally vested in the office of the president of a corporation, including but not limited to the power to appoint committees from among the council of CO-owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the corporation.*

*Section 5. Vice President. The Vice President shall take the place of the President and perform whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.*

*Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the council of CO-owners. He shall have the custody of the seal of the corporation; he shall have charge of the membership books and such other books and papers as the Board of Directors may direct; and he shall, in general perform all the duties incident to the office of Secretary.*

*Section 7. Treasurer. The Treasurer shall have the responsibility for corporation funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the corporation. He shall be responsible for the deposit of all moneys and other valuable effects in the name and to the cred it of the*

*corporation in such depositories as may from time to time be designated by the Board of Directors.*

*Section 8. Compensation. No compensation shall be paid to officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the corporation in any other capacity, unless a Resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.*

## *ARTICLE VI*

### *Powers, Rights, and Duties of the Corporation and Members Thereof*

*The corporation and its members shall have all the powers, rights, duties and obligations set forth in the Articles of Incorporation for the corporation, these by-laws, rules and regulations pursuant thereto, and recorded restrictions of the property, and as any of the same may be duly adopted or amended. No transfers of membership in the corporation shall be made, except as provided herein and no such transfer shall be made upon the books of the corporation with ten (10) days next preceding the annual meeting of the members.*

*The members and Board of Directors, or each of them, shall have the express authorization, right and power to enter into one or more management agreements with third parties in order to facilitate efficient operation of the common elements, including the real property described in Article II above. It shall be the primary purpose of such management agreements to provide for the administration, management, repair and maintenance of said real property all improvements thereon designated as common elements and the roofs and exterior walls of the residence units. The terms of said management agreements shall be as determined by the Board of Directors to be in the best interests of the corporation, and shall be subject to the Articles of Incorporation, these by-laws the Declaration of Restrictions affecting said property.*

## *ARTICLE VII*

### *Corporate Seal*

*The Board of Directors shall provide a suitable corporate seal containing the name of the corporation. This seal shall be in the custody and control of the Secretary.*

*The corporate seal shall be in circular form, shall have inscribed thereon the name of the corporation, the year it was organized, and the word "Arizona." If and when so directed by the Board of Directors, a duplicate seal may be kept and used by such officer or other person as the Board of Directors shall name.*

## *ARTICLE VIII*

## Miscellaneous

*Section 1. Books and Accounts.* Books and accounts of the corporation shall be kept under the direction of the Treasurer and in accordance with the reasonable standards of accounting procedure and prudence.

*Section 2. Auditing.* At the closing of each fiscal year, the books and records of the corporation shall be audited by a Certified Public Accountant whose report will be prepared and certified. Based on such reports, the corporation will have available for inspection by the members a statement of the income and disbursements of the corporation of each fiscal year.

*Section 3. Inspection of the Books.* Financial reports, such as are required to be furnished and the membership records of the corporation shall be available at the principal offices of the corporation for inspection at reasonable times by any members.

*Section 4. Execution of Corporation Documents.* With the prior authorization of the Board of Directors, all notes, checks and contracts or other obligations shall be executed on behalf of the corporation by any two officers of the corporation.

*Section 5. Compliance with Federal Housing Administration Requirements.* For as long a period of time as may be required to fully amortize any mortgage upon any of the residence units insured by the Federal Housing Administration (sometimes hereinafter referred to as FHA) the books and accounts of the corporation under Section 1 hereof shall be kept in accordance with the uniform standards of accounting prescribed by the FHA Commissioner and the report of the Certified Public Accountant under Section 2 hereof shall be prepared and certified in accordance with the requirements of the FHA Commissioner and the financial reports under Section 3 hereof shall be those such as are required to be furnished to the FHA and shall be furnished to FHA.

*Section 6. Fiscal Year.* The fiscal year of the corporation shall be determined by the Board of Directors and shall be subject to change by the Board of Directors should the corporation practice subsequently necessitate such change.

## ARTICLE IX

### Amendment of the By-laws

*Section 1. Amendment by the Members.* These by-laws may be amended by the affirmative vote of three-fourths (3/4) of the members present or represented by proxy at any regular or special meeting provided that a quorum as prescribed in Section 4, Article II

*herein is present at any such meeting. Amendments may be proposed by the Board of Directors or petition signed by at least fifty-one per cent (51%) of the members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted on. These by-laws may not be amended insofar as such amendment would be inconsistent with the recorded restrictions of the property.*

*Section 2. Amendment by the Directors. The Directors of the corporation by the affirmative vote of three-fourths (3/4) of all the Directors of the corporation may amend or alter the by-laws of the corporation at any regular meeting or at any special meeting provided that no such alteration or amendment by the Board of Directors shall increase the power of the Board of Directors. The statement of any proposed amendment shall accompany notice of any regular or special meeting at which such proposed amendment shall be voted on. These by-laws may not be amended insofar as such amendment would be inconsistent with the recorded restrictions of the property.*

April 28, 1987 –

### **Amendment to the By-Laws of Tempe Gardens Townhouse Corporation**

In the By-Laws, Deed of Restrictions or any other printed rules and regulations of the Tempe Gardens Townhouse Corporation where stated persons are referred to as “he”, let it be known that this refers to persons of any gender.

#### Article III

##### **Council of Co-Owners**

Section 1. Annual Meetings. The first annual meeting of the Council of Co-Owners of the corporation shall be held within sixty (60) days after the builder has constructed and conveyed fifty-one percent (51%) of the total number of townhouse units to be constructed within the premises as described in Article II above, or within one (1) year from the date of incorporation, whichever is sooner. Hereafter, the annual meetings of the Council of Co-Owners shall be held on the third Thursday in September, or at such other time as the Council of Co-Owners may by majority vote approve. At such meeting, there shall be elected a Board of Directors in accordance with the requirements of Article IV of these By-Laws. The Council of Co-Owners may also transact such other business of the corporation as may properly come before them.

#### Article IV

##### **Directors**

Section 3. Election and Term of Office. The term of the Directors named in the Articles of Incorporation shall be until the first annual membership meeting or until their successors are duly chosen and qualify. Their successors shall be elected at the first annual meeting of the Council of Co-Owners. A new Board of Directors shall be elected by the Council of Co-Owners at each regular annual meeting thereafter and shall hold office for a term of two (2) years and until a successor shall be elected and shall qualify except as hereinafter otherwise provided. The number of Directors may be altered from time to time by the action of a



majority of the members of the Council of Co-Owners at any regular or special meeting called for such purpose. In the event of any increase in the number of Directors in advance of the annual meeting, each additional Director shall be elected by the then Board of Directors and hold office until his successor is elected and shall qualify.