

BY-LAWS  
OF  
HIGHLAND VILLAGE CONDOMINIUMS ASSOCIATION

ARTICLE I

**NAME AND LOCATION.** The name of the corporation is HIGHLAND VILLAGE CONDOMINIUMS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at Phoenix, Arizona, but meetings of members and directors may be held at such places within the State of Arizona, County of Maricopa, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

**Section 1.** "Association" shall mean and refer to HIGHLAND VILLAGE CONDOMINIUMS ASSOCIATION, its successor and assigns.

**Section 2.** "Properties" shall mean and refer to the certain real property described in the Declaration of Horizontal Property Regime and Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

**Section 3.** "Common Area" and "Common Elements" shall be synonymous and are known as Tracts A & B and such other portions of HIGHLAND VILLAGE AMENDED, a subdivision recorded in Book \_\_\_\_\_ of Maps, Page \_\_\_\_\_, official records of Maricopa County, Arizona as shall be for the common use and enjoyment of the owners, and further defined as follows:

Each multifamily structure (except for the units), the earth upon which the structure is located (as set forth in the legal description in ARTICLE I, Section 8, of the Declaration), the air space above the interior surface of the ceiling of the structure, all bearing walls, columns, floors, roofs, ceilings, slabs, foundations, storage spaces, patios, tanks, and other central services and all recreational facilities, lawns, pavement, trees and all other landscaping on the project on which the multifamily structures are located, pipes, ducts, chutes, conduits, wires and other installations of the multifamily structures, wherever located, except the outlets thereof when located within the units.

**Section 4.** "Unit" shall mean and refer to a separately designed and legally described freehold estate consisting of the apartment units in each multifamily structure, each separately shown, numbered and designated on the condominium plan shown on Exhibit A as attached to the Declaration, hereof, and shall be a separate freehold estate consisting of the space bounded by and contained within and including the interior surfaces of the perimeter walls, doors, ceilings, windows and floors of each unit, each of such spaces being defined and referred to herein as a "Unit". Each unit shall include all portions of the building so described and the air space so encompassed, but the following are not part of the unit: bearing walls, columns, floors, foundations, slabs, storage spaces, patios, pumps, and other central services,

pipes, conduits, wires and other utility installations, wherever located, except the outlets thereof when located within the unit.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of equitable title in fee simple (or in legal title if equitable title has merged) of any unit which is part of the properties, including contract sellers, but excluding those having such interest merely as security for the performing of an obligation.

Section 6. "Declarant" shall mean and refer to HIGHLAND VILLAGE, a limited partnership, its successors and assigns if such successors or assigns should acquire more than one (1) unit from the Declarant for the purposes of development or sale.

Section 7. "Declaration" shall mean and refer to the Declaration of Horizontal Property Regime and Covenants, Conditions, and Restrictions to which these By-Laws are attached.

Section 8. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

### ARTICLE III

#### MEMBERSHIP

Section 1. Every person or entity who is a recorded owner of a fee or undivided fee interest in any unit which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owner shall have more than one (1) membership. Membership shall be appurtenant to and may not be separated from ownership of any unit which is subject to assessment by the Association. Ownership of such lot shall be the sole qualification for membership.

The Association shall have two classes of voting membership:

Class A. Class A members shall be all of those owners as referred to in ARTICLE III of the Declaration. A Class A member shall be entitled to one vote for each unit owned by said member, provided above.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each unit in which it holds the interest required for membership by Article III of the Declaration, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership within all phases of this condominium project equal the total votes outstanding in Class B membership, or

(b) five years from the date of this Declaration.

Section 2. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and rights to use of the recreational facilities of such member may be suspended by the

Board of Directors until such assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed thirty (30) days, for violation of any rules and regulations established by the Board of Directors governing the use of the common area and facilities.

#### ARTICLE IV

##### MEETINGS AND MEMBERS

Section 1. Annual Meeting. The first annual meeting of the members of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members, unless otherwise provided for in the Declaration or Articles, shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) but not more than thirty (30) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. 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.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, sixty percent (60%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Declaration, Articles, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Unit.

#### ARTICLE V

##### BOARD OF DIRECTORS; SELECTION: TERM OF OFFICE

*Amended  
4-29-84*  
Section 1. Number. The affairs of this Association shall be managed by a Board of Five (5) directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect Five (5) directors for a one year term, and at each annual meeting thereafter the members shall elect five directors for a one year term.

Section 3. Removal. Any director may be removed from the

Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

## ARTICLE VI

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Voting shall be in accordance with Section ~~10-033~~, Arizona Revised Statutes.  
10-1015

## ARTICLE VII

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly executed meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of Common Areas and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(c) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties in accordance with the limitations set forth in the Declaration.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each unit at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(3) File with the County Recorder or other appropriate governmental agency a written lien against any owner who has failed to pay the annual or special assessment provided in ARTICLE VI, Section 3, of the Declaration; and

(4) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same;

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard

insurance on the Common Areas and Restricted Common Areas, if any;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) Cause the Common Area to be maintained; and

(h) Cause the exterior of the dwellings to be maintained.

## ARTICLE IX

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary and a treasurer and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 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.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignations 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.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

#### President

(a) The president shall preside at all meetings of the Board of Directors and of the members of the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

#### Vice-President

(b) The vice-president shall act in the place and stead of

the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board. "Absent" shall be considered for purposes of this paragraph to exist when the Association is unable to communicate with and receive a response from the president for a period in excess of ten (10) days, whether by mail or otherwise.

#### Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

#### Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

### ARTICLE X

#### COMMITTEES

The Board of Directors shall appoint an Architectural Control Committee, as provided in the Declaration or, may itself serve as the Architectural Control Committee, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

### ARTICLE XI

#### BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

### ARTICLE XII

#### ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Further, the Declarant is obligated to pay to the Association annual and special assessments on units owned, which are also secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, interest at the rate of twelve percent

(12) per annum of the monthly assessment shall be added to such assessment for each month during which it is not paid within thirty (30) days from the due date. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and the interest, costs and reasonable attorney fees of any such action shall be added to the amount of such assessment. The amount of the assessment may be changed in the manner indicated in the Declaration, but in no event may it be increased more than ten (10) percent in any one year without a two-third (2/3) vote of each class of members. Special assessments may be levied in the manner set forth in the Declaration, but both annual and special assessments must be fixed at a uniform rate for all units in any event. The annual assessment provided for herein shall commence as to all units the first day of the month following the conveyance of the first unit, and it may thereafter be collected on a monthly basis if the Board of Directors so wishes. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his unit.

#### ARTICLE XIII

##### CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: HIGHLAND VILLAGE CONDOMINIUMS ASSOCIATION.

#### ARTICLE XIV

##### AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy. However, if while there is a Class B membership, all amendments are subject to veto by the Veteran's Administration.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

#### ARTICLE XV

##### MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the HIGHLAND VILLAGE CONDOMINIUMS ASSOCIATION, have hereunto set our hands this \_\_\_\_\_ day of \_\_\_\_\_, 1981.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF ARIZONA )  
                  )ss  
County of Maricopa)

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 1981, by \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly-elected and acting secretary of the HIGHLAND VILLAGE CONDOMINIUMS ASSOCIATION, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the \_\_\_\_\_ day of \_\_\_\_\_, 1981.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this \_\_\_\_\_ day of \_\_\_\_\_, 1981.

\_\_\_\_\_  
Secretary

HIGHLAND VILLAGE ASSOCIATION, INC.

Annual Meeting, April 29, 1984

Present BOARD OF DIRECTORS: Article V, Section 1. Number.  
The affairs of the Association shall be managed by a Board of Five (5) directors,  
who need not be members of the Association.

Proposed ... who must be members of the Association.  
Amendment

Present Article V, Section 2. Term of Office.  
At the first annual meeting the members shall elect five (5) directors for a  
one year term, and at each annual meeting thereafter the members shall elect  
five directors for a one year term.

Proposed ... two (2) year term, beginning with the 1984 annual meeting two (2) directors will  
Amendment be elected and three (3) will remain on the board for another year; thereafter,  
even numbered years, two directors will be elected and odd numbered years three  
directors will be elected; thereby establishing a staggered term.

Approved 4-29-84