

By-Laws of Desert Palms Townhouse Association

By-Laws adopted by the association on December 4, 1994
As amended through September 15, 2020

ARTICLE I NAME AND LOCATION

The name of the corporation is DESERT PALMS TOWNHOUSE ASSOCIATION. The principal office of the corporation shall be in Tucson, Arizona, at an address or post office box as indicated by the Board of Directors from time to time.

ARTICLE II DEFINITIONS

Section 1: “Association” shall mean and refer to DESERT PALMS TOWNHOUSE ASSOCIATION, its successors and assigns.

Section 2: “Properties” shall mean and refer to that certain real property situated in Pima County, Arizona, more particularly described as follows:

Desert Palms Townhouses, according to the plat thereof of record in the office of the County Recorder of Pima County, Arizona, in Book 23 of Maps and Plats at Page 63.

Section 3: “Common Area” shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Owners. The common area to be owned by the Association is described as follows:

All of the area of Desert Palms Townhouses as shown on Plat of said subdivision as recorded in the office of the County Recorder, Pima County, in Book 23 of Maps and Plats at Page 63 except therefrom townhouse Lots 1 through 11 and townhouse Lots 14 through 23 of Lot number 177 and townhouse Lots 26 through 61 of Lot Number 178.

Section 4: “Townhouse Lot” shall mean and refer to any plot of land used or intended to be used for the erection of a townhouse unit as shown upon any recorded subdivision map of the properties with the exception of the common area.

Section 5: “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any townhouse lot which is part of the properties, including, contract buyers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6: “Declaration” shall mean and refer to the Amended Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded in the office of the County Recorder, Pima County, Arizona.

Section 7: “Member” shall mean and refer to those persons entitled to membership as provided for in the Declaration and Articles of Incorporation.

ARTICLE III MEETING OF MEMBERS

Section 1: Annual Meeting. The annual meeting of the members shall be held on the 3rd Tuesday of January of each year, beginning in 1995, if not a legal holiday, and if a legal holiday, then on the next succeeding day not a legal holiday. The place and time of the annual meeting to be set by the Board of Directors.

Section 2: Special Meetings. Special Meetings of the members may be called at any time by the president of the Board 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 membership of the corporation.

Section 3: Notice of Meetings. Except as provided by Article IV, Section 5, of the Declaration, as amended, written notice of each meeting of the members 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, 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 a ballot/absentee ballots, entitled to cast fifty-percent (50%) of the votes of the membership of the corporation shall constitute a quorum for any action except otherwise provided in the Articles of Incorporation, the Declaration, 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: Ballot/absentee ballots. At all meetings of members, each member may vote in person or by absentee ballot. All absentee ballots shall be in writing and filed with the secretary. Every absentee ballot shall be revocable and shall automatically cease upon conveyance by the member or his or her townhouse lot.

ARTICLE IV BOARD OF DIRECTORS Selection: Term of Office

Section 1: Number. The affairs of this Association shall be managed by the Board of Directors consisting of five (5) directors. At the 2014 annual meeting of the members of the Association, the members shall elect five (5) directors to service: one to a one-year term, two to a two-year term, and two to a three-year term. The Directors shall allocate the terms as they see fit. Beginning in 2015, each vacancy shall be filled for a three-year term. After election the Directors will, from that day forth, handle the affairs of the Association.

Section 2: Removal, Death or Resignation. 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 or resignation of a

director, the Board of Directors, with the advice and assistance of the Nominating Committee, shall appoint a successor to serve for the unexpired term of his or her predecessor. In the event of removal of a director, his or her successor shall be elected by the membership of the Association and shall serve for the unexpired term of his or her predecessor.

Section 3: Compensation. No director shall receive compensation for any services rendered to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 4: 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 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 V NOMINATION AND ELECTION OF DIRECTORS

Section 1: Nomination: Nomination for election to the Board of Directors shall be made by the Nominating Committee, appointed prior to each annual meeting. The Nominating Committee shall consist of a Chairman, appointed by the President of the Board of Directors, and may consist of two (2) or more members of the Association. The Nominating Committee shall make as many nominations from the membership 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.

Section 2: Election: Election to the Board of Directors may be by secret written ballot, if requested by any member in attendance. At such election, each member, in person or by ballot/absentee ballot, shall be entitled to cast one (1) vote for each director to be elected and a majority vote out of the maximum votes possible shall be necessary to elect a director of said Board. Balloting will not be required when the number of candidates does not exceed the number required to fill the vacancies of the Board. Membership on the Board of Directors is limited to one (1) owner from each townhouse lot.

ARTICLE VI MEETING OF DIRECTORS

Section 1: Regular Meetings. Regular Meetings of the Board of Directors shall be held at least quarterly without notice, at such time and place and hour as may be fixed from time to time by resolution of the Board and shall be open to all members. Should said meeting fall upon a legal holiday, then the 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 (2) 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 held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII
POWERS AND DUTIES
OF THE BOARD OF DIRECTORS

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

- (a) Adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of the members, tenants and guests thereon, and to establish penalties for the infraction thereof.
- (b) Suspend the voting rights and right to use of the recreational facilities of a member and/or tenant during any period in which such member shall be in default for more than thirty (30) days in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules and regulations.
- (c) Exercise for the Association all power, 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.
- (d) 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, unless excused by the remaining members of the Board of Directors.
- (e) Employ an independent contractor or such other employees as they deem necessary, and to prescribe their duties.
- (f) Pay recurring bills without membership approval, however, except one (1) time expenditures of over Two Thousand Five Hundred Dollars (\$2,500.00) will require membership approval.
- (g) When considering a contract for Five Thousand Dollars (\$5,000.00) or more the Board of Directors must send notification to the members and they may request a copy of the contract and bids.

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 corporate 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 members of the Association.
- (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 townhouse lot at least ninety (90) days in advance of each annual assessment period; and
 - (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) 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 property owned by the Association.
- (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.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1: Enumeration of Officers. The principal officers of this Association shall be president, vice-president, secretary and treasurer, who shall be at all times by members of the Board of Directors 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 or she shall sooner resign or shall be removed, or otherwise disqualified to serve.

Section 4: Compensation. Officers shall not, as such, receive any salary from the Association.

Section 5: 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 6: Resignation and Removal. Any officer may be removed from office with or without cause by the Board. 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 time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7: Multiple Offices. The offices of secretary and treasurer may be held by the same person. After the first meeting of the members, no person shall simultaneously hold more than one (1) of the other offices except in the case of special offices created pursuant to Section 5 of this Article.

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

President: The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and may sign all checks and withdrawals from savings and/or checking accounts of the Association.

Vice-President: The vice-president shall act in the place and stead of the president in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

Secretary: The secretary shall record the votes and keep the minutes of all meeting and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; 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: 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; may sign all checks and withdrawals from savings and/or checking accounts of the Association; keep proper books of account; and shall prepare an annual budget and 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.

Section 9: Community Manager. The Association must employ a Licensed and/or Certified Community Manager who under the direction of the Board of Directors will manage the day to day business affairs of the Association. In addition, the agent may be authorized to pay all bills incurred by the Association, collect all incoming monies, make deposits into savings and checking accounts, and sign checks from checking accounts. The agent shall prepare an annual budget and statement of income and expenditures to be presented at the annual meetings. The agent shall take minutes at all meetings and record votes, service notice of all meetings, keep appropriate current records showing all members of the Association with their addresses, and prepare the newsletter with the assistance of the Board of Directors. These duties of the agent will not supersede the duties of the Board of Directors.

ARTICLE IX COMMITTEE

The Board of Directors may appoint an Architectural Control Committee, as provided in the Declaration. In the addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X 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 members at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI 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 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 ninety (90) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and 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 interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his or her townhouse lot.

ARTICLE XII
CORPORATION SEAL

The Association shall have a seal in circular form having with its circumference the words:

DESERT PALMS TOWNHOUSE ASSOCIATION

ARTICLE XIII
AMENDMENTS

Section 1: These By-Laws may be amended, at the special meeting of the members (called for that purpose) by a majority of the members present in person or by ballot/absentee ballot.

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 XIV
MISCELLANEOUS

Section 1: Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the last day of December of every year.

Section 2: Notice. Whenever according to these By-Laws, a notice shall be required to be given to any member or director, it shall not be construed to be a personal notice, unless otherwise provided, but such notice may be given in writing by depositing the same in a Post Office in Pima County, Arizona, in a post-paid, sealed wrapper, addressed to such member or director at his or her address as the same appears on the books of the association, and the time when such notice is mailed shall be deemed the time of the giving such notice.

Section 3: Wavier of Notice. Any notice required to be given by these By-Laws my be waived by the person entitled thereto.

Section 4: Indemnification. Unless otherwise determined by the Board of Directors of the Association, the Association shall indemnify to the full extent permitted by the law of the State of Arizona as from time to time in effect, the persons described in the general corporation law of the State of Arizona, or other provision of the law of the State of Arizona relating to indemnification of officers, directors, employees and agents as from time to time in effect.

CERTIFICATION

I certify that the forgoing By-Laws of Desert Palms Townhouse Association, as adopted by the Association on December 4, 1994, and as amended through September 15, 2020 is a true copy of the amended By-Laws of the Association.

Dated:

Andrea Alagammai, Secretary