BYLAWS OF HOMEOWNERS ASSOCIATION OF JOSHUA SQUARE

Adopted by the Board of Directors, May 15, 1978 Amended February 28, 2004

ARTICLE I NAME AND MEMBERSHIP

<u>Section 1. Name.</u> The name of this corporation shall be Homeowners Association of Joshua Square. For convenience, the corporation shall herein be referred to as the Association. The address of the Association shall be 2040 South Rural Road, Tempe, Arizona 85282.

<u>Section 2. Membership.</u> Every owner of record of a unit in Joshua Square, by virtue of his ownership, automatically shall become and remain a voting member of this corporation. Membership in the Association shall be established by recording in the public records of Maricopa County, State of Arizona, of a deed or other instrument establishing a change of record title to a unit in the condominium and the delivery to the Association of a certified copy of such instrument thereby becoming a member of the Association. The membership of the prior owner shall be thereby terminated.

<u>Section 3. Bylaws Applicability</u>. The provisions of these Bylaws are applicable to the project, which is the condominium development recorded in Book 161 of Maps, page 13, Maricopa County, Arizona, and as amended in Book 170 of Maps, page 28, and as further established in the Declaration of Horizontal Property Regime contained in that Declaration of Covenants, Conditions and Restrictions recorded in Docket 10105, pages 451 to 453 inclusive, Maricopa County, Arizona, and as amended in Docket 10526, pages 307-309 inclusive.

ARTICLE II VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. Voting. Each condominium unit shall be entitled to one vote.

<u>Section 2. Majority of Owners.</u> As used in these Bylaws, the term "majority of owners" shall mean those owners holding 51% of the votes.

<u>Section 3. Quorum.</u> Except as otherwise provided in these Bylaws, the presence in person or by proxy of a "majority of owners" as defined in Section 2 of this Article shall constitute a quorum.

<u>Section 4. Proxies.</u> Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III ADMINISTRATION

<u>Section 1. Association Responsibilities</u>. The owners of the units will constitute the Association, which will have the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments for the management of the project pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of owners.

<u>Section 2. Place of Meetings.</u> Meetings of the Association shall be held in a unit at Joshua Square or such other suitable place convenient to the owners as may be designated by the Board of Directors.

<u>Section 3. Annual Meetings.</u> The annual meetings of the Association shall be held on the second Monday of February of each year. At such meetings there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of Section 5 of Article IV of these Bylaws. The owners may also transact such other business of the Association as may properly come before them.

<u>Section 4. Special Meetings.</u> It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by a majority of the owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths of the owners present, either in person or by proxy.

<u>Section 5. Notice of Meetings.</u> It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each owner of record, at least five (5) but not more than ten (10) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

<u>Section 6. Adjourned Meetings.</u> If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight hours from the time the original meeting was called.

<u>Section 7. Order of Business.</u> The order of business at all meetings of the owners of units shall be as follows unless specified otherwise by the Board of Directors and stated in the notice of the meeting:

- a. Roll call
- b. Proof of notice of meeting or waiver of notice
- c. Reading of minutes of preceding meeting
- d. Reports of officers
- e. Reports of committees
- f. Election of inspectors of election
- g. Election of directors
- h. Unfinished business
- i. New business
- j. Adjournment.

ARTICLE IV BOARD OF DIRECTORS

<u>Section 1. Number and Qualification.</u> The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons, all of whom must be owners of units in the project.

<u>Section 2. Powers and Duties</u>. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such lawful acts and things as are not by laws or by these Bylaws directed to be exercised and done by the owners.

<u>Section 3. Other Duties.</u> In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

- a. Care, upkeep and surveillance of the project and the common areas and facilities and the restricted common areas and facilities
- b. Collection of monthly assessments from the owners
- c. Designation and dismissal of the personnel necessary for the maintenance and operation of the project, the common areas and facilities, and the restricted common areas and facilities.

Section 4. Management Agent. The Board of Directors may employ for the Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article.

<u>Section 5. Election and Term of Office.</u> At the first annual meeting of the Association, the term of office of two Directors was fixed for three (3) years; the term of office of two Directors was fixed for two (2) years; and the term of office of one Director was fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. Unless sooner removed, the Directors shall hold office until their successors have been elected and the Board of Directors holds the next meeting.

<u>Section 6. Vacancies.</u> Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

<u>Section 7. Removal of Directors.</u> At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the owners and a successor may then and there by elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at a meeting.

<u>Section 8. Organization Meeting.</u> The first meeting of a newly elected Board of Directors shall be held within ten (10) days after election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

<u>Section 9. Regular Meetings.</u> 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 email, at least three (3) days prior to the day named for such meeting.

<u>Section 10. Special Meetings</u>. Special meetings of the Board of Directors may be called by the President on three day notice to each Director, given personally or by mail, telephone, or email, 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 three Directors.

<u>Section 11. Waiver of Notice.</u> 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.

<u>Section 12. Board of Directors' Quorum</u>. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

ARTICLE V OFFICERS

<u>Section 1. Designation.</u> The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an assistant treasurer, an assistant secretary, or such other officers as in their judgment may be necessary. The offices of Treasurer and Secretary may be filled by the same person.

<u>Section 2. Election of Officers.</u> The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

<u>Section 3. Removal of Officers</u>. Upon an affirmative vote of a majority 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.

<u>Section 4. President.</u> The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association,

including but not limited to the power to appoint committees from among the owners from time to time as he may at his discretion decide are appropriate to assist in the conduct of the affairs of the Association.

<u>Section 5. Vice President.</u> The Vice President shall take the place of the President and perform his duties 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.

<u>Section 6. Secretary.</u> The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. He shall have charge of such 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.

<u>Section 7. Treasurer</u>. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VI OBLIGATIONS OF THE OWNERS

Section 1. Assessments.

- a. All owners are obligated to pay monthly assessments imposed by the Association to meet all project communal expenses, which may include a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake, or other hazard. The assessments will be made on the basis that each condominium unit's pro-rata share shall be l/24th of the total.
- b. Protocol to enforce Association fee: On the tenth day of the month, if the fee has not been received, a courtesy call will be given to the late party. After the second month, a \$20 late fee per unit per month of tardiness will be imposed. After four month, a lein may be imposed upon the property(s) in question.

Section 2. Maintenance and Repair.

- a. Every owner must perform promptly all maintenance and repair work within his own unit which, if omitted, would affect the project in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.
- b. All the repairs of internal installations of the unit such as water, light, gas, power, sewer, telephones, air conditioners, sanitary installations, doors, windows, lamps, and all other accessories belonging to the unit area shall be at the owner's expense.
- c. An owner shall reimburse the Association for any expenditure incurred in repairing or replacing any common area and facility damaged through his fault.

<u>Section 3. Use of Family Units</u> — Internal Changes.

- a. All units shall be utilized for residential purposes only.
- b. An owner shall not make structural modifications or alterations in his unit or installations located therein without previously notifying the Association in writing through the management agent, if any, or through the President of the Association if no management agent is employed. The Association shall have the obligation to answer within thirty days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

Section 4. Use and Maintenance of Common Areas and Facilities and Restricted Common Areas and Facilities.

- a. Use Regulations. The common areas and facilities and restricted common areas and facilities shall be used for only such purposes as may be permitted by the Association. An owner shall abide by such rules and regulations as the Association may from time to time adopt relating to the time, manner, and nature of the use of the common areas and facilities and the restricted common areas and facilities.
- b. Dedications or Transfers. The Association shall have the right to dedicate or transfer all or any part of the common areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to in writing by two-thirds (2/3) of the owners.
- c. Additional Maintenance. In addition to the general maintenance of the common areas and facilities and the restricted common areas and facilities provided in Article IV, Section 3(a), the Association shall:
 - 1. Provide exterior maintenance for each multi-family structure as follows: paint, repair, replace, and care for roofs, gutters, downspouts, and exterior building surfaces, except glass surfaces, subject to the provisions of Article VI, Section 2(c).
 - 2. Provide maintenance for systems used for private water services located on the common areas as follows: repair and replace all water lines from the perimeter wall of the serviced dwelling units to intersection with the public water facility.
 - 3. Provide maintenance, repairs, and replacement of all private drives.

Section 5. Right of Entry.

- a. An owner shall grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.
- b. An owner shall permit other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

Section 6. Rules of Conduct.

- a. No resident of the project shall post any advertisement, or posters of any kind, in or on the project except as authorized by the Association.
- b. Residents shall exercise extreme care about making noises or the use of musical instruments, radios, television, and amplifiers that may disturb other residents. Keeping domestic animals will be in accordance with the regulations adopted from time to time by the Association.
- c. It is prohibited to hang garments, rugs, etc., from the windows or from any of the facades of the project.
- d. It is prohibited to throw garbage or trash outside the disposal installation provided for such purposes in the service areas.
- e. It is prohibited to dust rugs, etc. from the windows or to clean rugs, etc. by beating on the exterior part of the project structures.
- f. No owner, resident, or lessee shall install wiring for electrical or telephone installation, television antennae, machines or air conditioning units, etc. on the exterior of the project except as authorized by the Association.

ARTICLE VII AMENDMENTS TO BYLAWS

<u>Section 1. Amendments.</u> These Bylaws may be amended by the Association in a duly constituted meeting for such purpose and no amendment shall take effect unless approved by a majority of owners present and voting.

ARTICLE VIII MORTGAGEES

<u>Section 1. Notice to Association.</u> An owner who mortgages his unit shall notify the Association through the management, if any, or the President of the Association, in the event there is no management agent, the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Units."

<u>Section 2. Notice of Unpaid Assessments.</u> The Association shall at the request of a mortgagee of a unit report any unpaid assessments due from the owner of such unit.

ARTICLE IX PARTY WALLS

<u>Section 1. Rights and Duties.</u> The rights and duties of the owners of any apartment units within this condominium project with respect to party walls shall be governed by the following:

a. Each wall, including patio walls, which is constructed as part of the original construction of the multifamily structure, any part of which is placed on the dividing line between separate

apartment units, shall constitute a party wall. With respect to any such wall, each of the adjoining owners shall assume the burdens and be entitled to the benefits of these restrictive covenants and, to the extent not inconsistent herewith, the general rules of law regarding party walls shall be applied thereto.

- b. In the event any such party wall is damaged or destroyed through the act of one adjoining owner, or any of his guests, tenants, licensees, agents or family members (whether or not such act is negligent or otherwise culpable) so as to deprive the other owner of the full use and enjoyment of such wall, then the first of such owners shall forthwith proceed to rebuild and repair the same to as good condition as formerly without cost to the adjoining owner.
- c. In the event any such party wall is damaged or destroyed by some cause other than the act of one of the adjoining owners, his agents, tenants, licensees, guests, or family (including ordinary wear and tear and deterioration from lapse of time), then in such event, both such adjoining owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly at their joint and equal expense.
- d. Notwithstanding any other provision of this Article, an owner who by his negligent or willful act causes any party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.
- e. The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.
- f. In the event of a dispute between owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the cost thereof, then upon written request of one of such owners addressed to the Association, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the Association. If no such rules have been adopted, then the matter shall be submitted to three arbitrators, one chosen by each of the owners and the third by the two so chosen, or, if the two arbitrators cannot agree as to the selection of the third arbitrator within five (5) days, then by any Judge of the Superior Court of Maricopa County, Arizona. A determination of the matter signed by any two of the three arbitrators shall be binding upon the owners, who shall share the cost of arbitration equally. In the event one party fails to choose an arbitrator within ten (10) days after personal receipt of a request in writing for arbitration from the other party, then said other party shall have the right and power to choose both arbitrators.
- g. These covenants shall be binding upon the heirs and assigns of any owners, but no person shall be liable for any act or omission respecting any party wall except such as took place while an owner.

ARTICLE X PARKING RIGHTS

<u>Section 1. Allocation.</u> Ownership of each family unit shall entitle the owner or owners thereof to the use of not more than one (1) covered automobile parking space, which shall be as near and convenient to said family unit as reasonably possible, together with the right of ingress and egress in and upon said parking area.

ARTICLE XI COMPLIANCE

These Bylaws are set forth to comply with the requirements of the statutes relating to condominium projects in Arizona.

In case any of these Bylaws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statutes will apply.