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Maricopa County, AZ, and certified
on June 19, 1974

BY-LAWS
OF
UNIVERSITY OF ROYAL GARDEN HOMES ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is UNIVERSITY ROYAL GARDEN HOMES ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at Tempe, 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

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in the Declaration of Covenants, Conditions and Restrictions of UNIVERSITY ROYAL GARDEN HOMES, hereinafter termed the "Declaration", which was recorded in the Office of the County Recorder of Maricopa County, Arizona on October 8, 1973, in Docket 10371, commencing at page 672.

ARTICLE III
MEETING OF MEMBERS

SECTION 1. Annual Meetings

The first annual meeting of the members shall be held within one year from the date of incorporation 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 8:00 o'clock 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 maybe 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 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) 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, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Article 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. Proxies

At all meetings of member, 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 Lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

SECTION 1. Number of Board Members

The affairs of the Association shall be managed by a Board of nine (9) directors, who need not be members of the Association, provided, however that the initial Board may consist of three (3) directors until the first annual meeting of the members.

SECTION 2. Term of Office

At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

SECTION 3. Removal from office

Any director may be removed from the Board, with or without cause, by a majority 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 V

NOMINATION AND ELECTION OF DIRECTORS

SECTION 1. Nomination of Board members

Nomination for the 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 of 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 member or non-members.

SECTION 2. Election of Board members

Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast as many votes in the aggregate as each is entitled to vote under the Article of Incorporation, multiplied by the number of Directors to be elected. Each such person may cast the whole number of votes, either in person or by proxy, for one candidate, or distribute such votes among two or more candidates. The persons receiving the largest number of votes shall be elected.

ARTICLE VI
MEETING 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 meeting 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 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 of the Board of Directors

The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing the used of the Common Area and facilities, and the personal conduct of the members and their 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 during any period in which such member shall be in default 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 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 Article 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; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

SECTION 2. Duties of the Board of Directors

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 Class A member 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 Lot as least thirty (30) fays 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;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 Offices

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 of officers

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 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 of offices

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 resignation 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 on the Board

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. Holding multiple offices

The same person may hold the offices of secretary and treasurer. 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 of Officers

The duties of the officers are as follows:

President: The president shall preside at all meeting 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 shall co-sign all checks and promissory notes; provided, however, that the President may designate some other officer to co-sign checks.

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; shall exercise and discharge such other duties as may be required of him by the Board.

Secretary: The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; shall keep the corporate seal of the Association and affix it to all papers requiring said seal; shall serve notice of meeting of the Board and of the members; shall 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; shall sign all checks and promissory notes of the Association; keep proper books of account; cause and 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 represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of directors shall appoint other committees as deemed appropriated 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 member at the principal office of the Association, where copies may be purchased at 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 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, the assessment shall bear interest from the date of delinquency at the rate of eight percent (8%) per annum, and the association may bring an action at law against the Owner personally obligated to pay the same or foreclosure 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 Lot.

ARTICLE XII CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words:
UNIVERSITY ROYAL GARDEN HOMES ASSOCIATION, INC.

ARTICLE XIII AMENDMENTS

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.

ARTICLE XIV
INTERPRETATION

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
FISCAL YEAR

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 UNIVERSITY ROYAL GARDEN HOMES ASSOCIATION, INC., an Arizona corporation, have hereunto set our hands this 13th day of December 1973.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of UNIVERSITY ROYAL GARDEN HOMES ASSOCIATION, INC., an Arizona corporation, 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 19th day of June 1974.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 19th day of June 1974.

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This Amendment to the URGH Bylaws was approved at the Annual Meeting of the Association on October 18, 2001, by a vote of 37 for and 3 against the amendment. The Amendment and the process of approval was reviewed and approved by Scott Carpenter of the law firm of Zemp, Kapsal, Carpenter & Hazelwood, Tempe AZ in August, 2001.

FIRST AMMENDMENT TO THE BYLAWS
UNIVERSITY ROYAL GARDENS HOMEOWNERS ASSOCIATION

The First Amendment to the By-Laws for University Royal Garden Homes Association, hereinafter termed "First Amendment" is made on October 18, 2001 by a vote of the Association as provided for Article XIII, of the By-Laws.

WHEREAS, the Association desires hereby to amend said By-Laws as provided herein;

NOW, THEREFORE, the Association hereby declares that the aforesaid By-Laws be, and it hereby is, amended as set forth herein, otherwise to remain in full force and effect, to-wit:

ARTICLE IV, SECTION 1 of the By-Laws is hereby amended to read:

The affairs of this Association shall be managed by a Board of Directors who must be members of the Association. Before the membership meeting held on October 18, 2001, the Board of Directors consisted of Nine (9) members. The Board of Directors will be reduced to consist of seven (7) members for the remainder of 2001 and the portion of 2002 before the next membership meeting where directors are elected. At the membership meeting held on October 18, 2001, two (2) of the nine (9) existing directors will serve their remaining terms of two(2) years, three (3) will serve their remaining terms of one (1) year and two (2) [instead of four (4)] positions on the Board of Directors will be up for election for three (3) year terms. At the membership meeting in 2002, the Board will be reduced to five (5) for the remainder of 2002 and the portion of 2003 before the next membership meeting where directors are elected. At the membership meeting held in 2002, two (2) of the seven (7) existing directors will serve our their remaining terms of two (2) years, two (2) will serve out their remaining term of one year and one (1) position {instead of three (3)} will be open for election for a term of three years. Thereafter all Boards of Directors will consist of five (5) members and all terms will be for a three-year (3) period.