

BY-LAWS  
OF  
PARK PLACE ASSOCIATION, INC.  
1501 W. Jerome Avenue  
Mesa, AZ 85202 (480) 831-0637

Amended: 1/88; 1/94; 1/95; 4/09

**ARTICLE I**  
**NAME AND LOCATION**

The name of the corporation is PARK PLACE ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at Mesa, Arizona, but meeting of members and directors may be held at such places within the State of Arizona, County of Referred, 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, which said Declaration of Covenants, Conditions and Restrictions of PARK PLACE ASSOCIATION, INC, and hereafter termed the "Declaration", was recorded in the Office of the County Recorder of Referred County, Arizona on March 20, 1974, in Docket 10564, commencing at Page 704

**ARTICLE III**  
**PROPERTY RIGHTS: RIGHTS OF ENJOYMENT**

Each member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the property. Such member shall notify the Manager of the Association in writing of the name of any such delegate. The rights and privileges of such delegate are subject to suspension to the the same extent as those of the member. Tenants shall in all respects be subject to the renter's policy and assessments as set by the Board of Directors.

**ARTICLE IV**  
**MEETINGS OF MEMBERS**

Section 1. Annual Meetings. The members of the Association shall meet annually in January at a time and place determined by the board of directors.

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 (1/4th) of all of 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 purposed of the meeting.

**ARTICLE V**  
**BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE**

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than five (5) nor more than nine (9) directors, who must be members of the Association.

Section 2. Term of office. At the first annual meeting, the members shall elect at least two (2) Directors for a term

of one (1) year and three (3) Directors for a term of two (2) years; and at each annual meeting thereafter the members shall elect at least two (2) Directors for a term of one (1) year and at each second annual meeting thereafter at least three (3) Directors for a term of two (2) years.

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 may 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.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the member or their proxies may cast as many votes in the aggregate as each is entitled to vote under the Articles 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 amount two or more candidates. The persons receiving the largest number of votes shall be elected.

**ARTICLE VII**  
**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 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 held 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 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 any 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, of 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 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; and

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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 which such statement is requested in writing by one-fourth (1/4th) 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 annual assessment against each Lot at least thirty (30) 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 or to bring an action at law against the Owner personally obligated to pay the same.

(d) Issue, or 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; and

(g) Cause the common area to be maintained.

## **ARTICLE IX** **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. The Board of Directors shall elect a Secretary from among its members, and it may retain an Administrative Secretary, whose compensation shall be fixed by the Board.

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 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. 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; 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 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.

**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. Checks drawn on Association accounts may be co-signed by the Secretary or Administrative Secretary and by an officer of the association, or by any two officers of the Association.

**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 sign all 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 meetings, and deliver a copy of each to the members.

**ARTICLE X**  
**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 appropriate in carrying out its purpose.

**ARTICLE XI**  
**ASSESSMENTS & MONETARY PENALTIES**

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. Also, the Association shall, starting on the fourth consecutive month of any one particular violation of the Declaration and continuing each month thereafter until the violation is corrected to the satisfaction of the Architectural Control Committee (Architectural & Planning Board), impose a reasonable monetary penalty on the Owner not to exceed twenty five dollars (\$25.00) per month for the first monetary penalty, an amount not to exceed fifty dollars (\$50.00) per month for the second monetary penalty, and thereafter an amount not to exceed one hundred dollars (\$100.00) per month for each particular violation. Any assessments or monetary penalties which are not paid when due shall be delinquent. If the assessment or monetary penalty is not paid within thirty (30) days after the due date, the assessment or monetary penalty shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, be subject to a five dollar (\$5.00) rebill fee, and the Association may bring

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 or monetary penalty. No Owner may waive or otherwise escape liability for the assessments and monetary penalties provided for herein by nonuse of the Common Area or abandonment of his Lot.

**ARTICLE XII**  
**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, except that in the event that all or any part of the properties shall be subject to a mortgage insured by the Federal Housing Administration, or Veterans Administration, the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

**ARTICLE XIII**  
**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 XIV**  
**FISCAL YEAR**

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

**ARTICLE XV**  
**DISTRIBUTION OF PROCEEDS**

Notwithstanding any other provision in these By-Laws, the corporation shall be subject to the following limitations and restrictions:

(a) The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(b) The corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(c) The corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(d) The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(e) The corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.