

## BY-LAWS

### STRAWBERRY HILL VILLAGE AND RACQUET CLUB DEVELOPMENT ASSOCIATION

#### ARTICLE I

**NAME AND LOCATION.** The name of the corporation is STRAWBERRY HILL VILLAGE AND RACQUET CLUB DEVELOPMENT ASSOCIATION, INCORPORATED, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 8101 north Central Avenue, 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 the Board of Directors.

#### ARTICLE II – DEFINITIONS

**Section 1.** "Association" shall mean and refer to STRAWBERRY HILL VILLAGE AND RACQUET CLUB DEVELOPMENT ASSOCIATION, its successors and assigns.

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

**Section 3.** "Common Area" shall mean all property owned by the Association for the common use and enjoyment of the Owners.

**Section 4.** "Lot" shall mean and refer to any plot of land 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 Lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

**Section 6.** "Declarant" shall mean and refer to FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF PHOENIX, a federally chartered savings and loan association, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purchase of development.

**Section 7.** "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Maricopa County Recorder, Docket 10325, pages 1528-1545, and as the same may be amended from time to time as therein provided.

**Section 8.** "Member" shall mean and refer to the legal owner(s) of each unit. A member may delegate his/her membership rights to another permanent resident of his/her unit for purposes of voting and participation in Association business. This delegations must be made by written notification to the Board and will be in effect until rescinded in writing. In instances where there is more than one owner of a unit, only one owner or his/her designee may exercise the voting rights of the unit.

#### ARTICLE III – MEETINGS

**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 fourth Tuesday of January of each year thereafter, at the hour of seven 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. Quarterly Meetings.** There will be quarterly Association meetings to update all members on Association activities and concerns.

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Section 3. 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 of the votes of the membership.

Section 4. 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 notices, postage prepaid, at least 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 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 5. Quorum. The presence at the meeting of members entitle to cast, or of proxies entitled to cast, fifty-one percent (51%) of the votes of the membership shall constitute a quorum for any action except as 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 the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum aforesaid shall be present or represented.

Section 6. Voting. Each unit is entitled to one (1) vote. Any unit which is currently in arrears in its Association dues or which has been in arrears for more than two (2) months of the preceding calendar quarter is not entitled to vote.

Section 7. 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/her lot.

### **ARTICLE IV – BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE**

Section 1. Number. There are three (3) members of the Board who will be members or the designee of an Association member. The Immediate Past President of the Board may serve on the Board as an ex-officio, voting member if he/she states his/her intention to serve in this capacity at the time of the election of the new Board. If there are four (4) voting members of the Board, and "deadlock" issue will be forwarded to the membership for action.

Section 2. Term of Office. At the first annual meeting and every subsequent annual meeting thereafter, the members shall elect three (3) directors for a term of one (1) year.

Section 3. Resignation and Removal. Removal from the Board can only be for cause which includes the misappropriation of funds, conviction of a felony or missing two consecutive meetings without notice. Any Board member is currently in arrears in Association dues is not entitled to vote. Any Board member who has been in arrears for more than two (2) months of the preceding calendar quarter shall resign from his/her office.

Section 4. Vacancies. Any vacancy in the Board shall be filled in a special meeting of the Association by a vote of the membership. The member filling the vacancy will hold the office until the next regular election.

Section 5. Compensation. No director shall receive compensation for any service he/she may render to the Association. However, any director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

### **ARTICLE V – 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 Chairperson, 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. Nominations are to be made only from members of the Association.

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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 (one for each vacancy). The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Each member shall cast individual votes for each Board vacancy.

**ARTICLE VI – MEETINGS OF DIRECTORS**

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly. The time and place of all regular meetings will be communicated to all homeowners in writing in the same manner required of all meeting notices.

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 one (1) days notice to each director.

Section 3. Action Taken Without a Meeting. In a situation where it is determined that an “emergency” exists for the safety of the Association or the members, the Board may conduct business via telecommunications to ensure the prompt resolution of urgent matters. All Board members must participate in this decision making unless a Board member is out of town and can not be contacted. In any such situation, the Board must inform all members of its action within five (5) business days.

Section 4. 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. If there are four (4) voting members of the Board, and “deadlock” issue will be forwarded to the membership for action.

**ARTICLE VII – POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. Powers. The Board of Directors is responsible for the implementation of the policies and procedures as well as the day-to-day operations of the Association. In fulfilling this responsibility, policies and procedures will be established by the membership in regular or special meetings. These policies and procedures will include, but not be limited 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 the right to use of the recreational facilities of a member during any period in which any 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 regulation.
- (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 or the Articles of Incorporation;
- (D) Declare the office of a member of the Board of Directors to be vacant for reasons defined in these By-Laws under Article VIII, Section 5.
- (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 when such statement is requested in writing by one-fourth (1/4) of the 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 foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay the same;

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- (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) Produce 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 officers of this Association shall be a president, who shall at all times be a member of the Board of Directors, a vice -president, and secretary-treasurer.

**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.

**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/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

**Section 4. Resignation and Removal.** Any officer can be removed from office for cause which includes the misappropriation of funds, conviction of a felony or missing two consecutive meetings without notice. Any Board member who is currently in arrears in Association dues is not entitled to vote. Any Board member who has been in arrears for more than two (2) months of the preceding calendar quarter shall resign from his/her office.

**Section 5. Vacancies.** Any vacancy in the Board shall be filled in a special meeting of the Association by a vote of the membership. The member filling the vacancy shall hold the office until the next regular election.

**Section 6. Duties.** The duties of the officers are as follows:

- (A) **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.
- (B) **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.
- (C) **Secretary/Treasurer**
  - (1) As Secretary, the Secretary/Treasurer shall record the votes and keep the minutes of all meetings 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.
  - (2) As Treasurer, the Secretary/Treasurer shall conduct or supervise the receipt and deposit of funds in appropriate bank accounts, the disbursement of funds as directed by resolution of the Board of Directors, maintain proper books of account, and prepare an annual statement of income of expenditures to be presented to the membership at its regular annual meeting and deliver a copy to each member. The Secretary/Treasurer shall develop an annual budget, distribute quarterly financial reports to all members and coordinate the meetings of the Audit Committee.

**ARTICLE IX – COMMITTEES**

All committees shall be responsible for carrying out the policies and procedures which have been established by the membership of the Association. No Committee may take action which exceeds its responsibilities as established by Association policies and procedures at a regular meeting of the Association. Each Committee will elect a Chairperson who will be responsible for reporting all Committee activities to the Board on a monthly basis prior to the regular meeting of the Board.

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Section 1. Nominating Committee. The Nominating Committee shall be a standing committee as described in Article V, Section 1.

Section 2. Architectural Control Committee. The Architectural Control Committee shall be a standing committee which is responsible for ensuring compliance with the architectural standards specified in the CC&Rs.

All Homeowner requests for any change or modification of their unit which is visible from the common areas must be made in writing prior to the beginning of any work. The member must deliver a written request to the Board which will forward the request to the Architectural Control Committee. The Committee will review and make recommendation regarding the request, informing the Board of its opinion. This Committee action must be completed in order to allow the Board to respond in writing to the homeowner's request within thirty (30) days of receipt of the request as identified in the CC&Rs. Per the CC&Rs, the Board's failure to respond within thirty (30) days will constitute approval.

Section 3. Audit Committee. The Audit Committee shall be comprised of the Secretary/Treasurer and two members who are not members of the Board. The Committee will meet at least twice per year to review the financial records of the Association and will make a written report to the membership.

**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**

Section 1. Determination of Assessments. The monthly assessment and any special assessments shall be approved by a majority of the membership eligible to vote in a regular or special meeting of the Association.

Section 2. Payment of Assessments. The monthly assessment is due the first (1<sup>st</sup>) of the month and any special assessment is due on the date provided with the required thirty (30) day notice. Any assessment not paid within ten (10) business days of the due date will be considered late. A late penalty of twenty-five dollars (\$25.00) will be charged for each late payment on the date identified as past due. The penalty will be charged for each payment (monthly or special) on each due date. Interest at the rate of eight (8) per cent per annum will also accrue from the due date and will be charged for any payment more than sixty (60) days late. This interest rate also applies to any costs the Association incurs to take legal action against a homeowner who is delinquent in their dues or assessments. The Association may take legal action against any homeowner who is three (3) months past due in their dues or assessments unless a waiver is agreed upon by a majority of the members eligible to vote.

**ARTICLE XII – CORPORATE SEAL**

The Association shall have a seal in circular form having within its circumference the words: STRAWBERRY HILL VILLAGE AND RACQUET CLUB IMPROVEMENT ASSOCIATION, INCORPORATE 1976, ARIZONA.

**ARTICLE XIII – AMENDMENTS**

Section 1. The By-Laws may be amended, at a regular or special meeting of the members, a vote of a majority of a quorum of members eligible to vote, present in person or by proxy.

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 first day of January and end on the thirty first day of December each year.

Section 2. Conflicts of Interest. In any Association or Board action where a member, a resident or the immediate family (defined as a spouse, "significant other," parent, siblings, children and the families of any of these persons) may benefit financially or otherwise

from a decision, the member must disclose this fact prior to any decision taken by the Association or Board and must abstain from any voting. This disclosure must be made part of the minutes of the meeting.

Section 3. Incurring Costs on Behalf of the Association. No individual homeowner may incur costs on behalf of the Association. All financial obligations which are of a non-recurring nature of the Association must be pre-approved by the budget or special action of the Board in the case of an emergency. If a situation exists where any homeowner deems that an emergency exists, the homeowner must contact the Board. If no Board member can be contacted, the homeowner may have the emergency addressed with the understanding that the vendor must provide written confirmation that an emergency situation existed which could not be postponed due to placing the property of the homeowner or Association at immediate risk. Such costs will be limited to \$250.00. Each homeowner must understand that the Association will not be responsible for costs of a non-emergency nature.

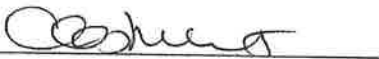
**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of the STRAWBERRY HILL VILLAGE AND RACQUET CLUB IMPROVEMENT ASSOCIATION, an Arizona not for profit corporation, and,

That the forgoing By-Laws constitute the revised By-Laws of said Association, as duly adopted at a meeting of the Association, held on September 7, 1999.

In witness whereof, I have subscribed my name this 21<sup>st</sup> day of April, 2000.



Secretary