

BYLAWS

T-1 MANAGEMENT COUNCIL

ARTICLE I

Principal Offices

~~Section 1. Principal Offices.~~ The principal offices of the corporation shall be at AHWATUKEE, Phoenix, Arizona.

ARTICLE II

Membership

Membership in the corporation, except for the membership of the incorporators and the first Board of Directors, shall be limited to record owners of equitable title (or of legal title if equitable title has merged) of residential units constructed, or planned to be constructed in the T-1 tract within AHWATUKEE, Phoenix, Arizona.

One membership in the corporation shall be issued to the record owner of equitable title (or legal title if equitable title has merged) of each residence unit. In the event any such residence unit is owned by two or more persons, whether as community property, by joint tenancy, tenancy in common or otherwise, the membership as to such residence unit shall be issued in the names of all the owners, and they shall designate to the corporation in writing, at the time of issuance, one person who shall hold the membership and have the power to vote said membership. No membership shall be issued to any other person or persons except as they may be issued in substitution for outstanding memberships assigned to new record owners of equitable title (or legal title if equitable title has merged).

The monthly assessment for each member shall be determined by the Board of Directors. Such assessment shall be due and payable in advance on the first day of each and every month. A member must be current in the payment of the monthly assessments to validate the membership and to entitle the member to all rights and privileges of same including, but not limited to, the right to vote.

ARTICLE III

Meetings

Section 1. Annual Meetings. Annual meetings of the members of the corporation shall be held on the second Thursday in February or any other such date in February as deemed appropriate by the board of directors. of each year. ~~The directors named in the Articles of Incorporation shall serve as the Board of Directors of this corporation until the developer of AHWATUKEE has constructed and sold 90% of the total number of the residential units to be constructed in the T-1 tract within AHWATUKEE. At the first annual meeting after the~~ No single residence unit may have more than one member serve on the board at any given time. However, members who collectively own more than a single unit may each serve provided they are elected from their membership interest in different units. ~~developer of AHWATUKEE has constructed and sold 90% of the total number of residential units to be constructed in the T-1 tract within AHWATUKEE, T~~ the initial number of directors elected shall be Nine (9). Three (3) directors shall be elected to serve for one (1) year, Three (3) directors shall be elected to serve for two (2) years, and three (3) directors shall be elected to serve for three (3) years. Thereafter, directors shall be elected by the members at the annual meeting of the corporation. Three (3) directors shall be elected each year to serve a term of ~~t~~ Three (3) years and shall serve until their successors are elected and qualified. The number of directors may be changed from time to time by the Board of Directors provided the minimum number of directors shall be five (5) and the maximum number of directors shall be nine (9) and provided further that the number of directors must always be an odd number. If the Board of Directors reduces the number of directors from the initial nine (9), the term of each director shall be the same as the term of the director which he or she has replaced so that the terms of the directors shall always be staggered. No single residence unit may have more than one member serve on the board at any given time. However, members who collectively own more than a single unit may each serve provided they are elected from their membership interest in different units. No member may be re-elected or appointed to the Board who has been elected to a three (3) year term or served an elective or appointive term of two (2) or more years. After the recording of these amended Articles, no member may serve more than three (3) consecutive full or partial terms without first sitting out one full year. Such year is designated as the time period between two (2) consecutive annual meetings of the membership. The ~~members~~ Directors may ~~also~~ transact such ~~other~~ business of the corporation as may properly come before them.

Section 2. Notice of Annual Meetings. The President or Secretary shall give or cause to be given notice of the time, place and date of each annual meeting by mailing or hand delivering such notice no more than fifty (50) nor less than ten (10) at least five (5) days prior to such meeting to each member at the respective addresses of said members as they appear on the records of the corporation.

Section 3. Special Meetings. Special meetings of the members for any purpose or purposes other than those regulated by statute may be called by the President as directed by resolution of the

Board of Directors, ~~Or~~ or upon a petition signed by a majority of the members, and such petition shall state the purpose or purposes of such proposed meeting. No business shall be transacted at a special meeting except as stated in the notice unless by consent of three-fourths (3/4) of the members present, either in person or by ~~proxy~~ ~~mail~~ ~~in~~ ~~absentee~~ ~~ballot~~.

Section 4. Notice of Special Meeting. The President or Secretary ~~or Assistant Secretary~~ shall give or cause to be given notice of the time, place and purpose of holding each special meetings by mailing or hand delivering such notice no more than fifty (50) nor less than ten (10) at least five (5) days prior to such meeting to each member at the respective addresses of said members as they appear on the records of the corporation.

Section 5. Quorum. The presence, either in person or by ~~proxy~~ ~~mail~~ ~~in~~ ~~absentee~~ ~~ballot~~, of at least ~~fifty-one~~ ~~ten~~ percent (~~1051~~%) of the members of record shall constitute a quorum for all purposes unless the representation of a larger group shall be required by law, by the Articles of Incorporation, or by these Bylaws, and in that event representation of the number so required shall constitute a quorum. At any Annual or Special Meeting duly called and noticed for which a quorum is not attained, the board shall have the right, but not the obligation, to call for and notice a subsequent meeting subject to the same notice provisions. Any business may be transacted at a subsequent meeting, at which quorum shall be present, which might have been transacted at the original meeting Any subsequent meeting held at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

Section 6. Voting Rights. Each member being present in person or by ~~proxy~~ ~~mail~~ ~~in~~ ~~absentee~~ ~~ballot~~ shall be entitled to one vote for each residence unit owned by said member.

~~Section 7. Adjournment of Meetings. If the number of members necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place of meeting, the Chairman of the meeting, or a majority in interest of the members present in person or by proxy, may adjourn the meeting from time to time without notice other than an announcement at the meeting, until the necessary number of members shall be in attendance. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.~~

~~Section 8. Proxies. A member may appoint only his or her spouse or any joint owner of his residence unit or any other member as a proxy. Any proxy must be filed with the Secretary before the appointed time of each meeting or upon the calling of the meeting to order.~~ Section 97. Waiver of Notice. Any member may at any time waive any notice required to be given under these Bylaws. The presence of a member in person at any meeting of the corporation shall be deemed such a waiver unless attendance is solely for the purpose of disputing proper notice.

ARTICLE IV

Directors

Section 1. Number and Qualification. The business, property and affairs of the corporation shall be managed, controlled and conducted by a board of directors consisting of those members as set forth in the Articles of Incorporation and in Article III Section 1 of these bylaws.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the corporation, and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the members. The powers of the Board of Directors shall include, but not be limited to, all of the rights and duties of the Board of Directors as set forth elsewhere in these Bylaws and the Articles of Incorporation, and in the Covenants, Conditions and Restrictions applicable to the property described in Article II above, and shall also include the power to promulgate such rules and regulations pertaining to such rights and duties as may be deemed proper and which are consistent with the foregoing. The Board of Directors may delegate such duties as appear in the best interests of the corporation and to the extent permitted by law.

~~Section 3. Election and Term of Office. The Board of Directors named in the Articles of Incorporation shall serve until the developer of AHWATUKEE has constructed and sold 90% of the total number of residence units to be constructed in the T-1 tract within AHWATUKEE. At the first annual meeting after the developer of AHWATUKEE has constructed and sold 90% of the total number residential units to be constructed in the T-1 tract within AHWATUKEE, the number of directors elected shall be nine (9). Three (3) directors shall be elected for one (1) year, three (3) directors shall be elected to serve for two (2) years, and three (3) directors shall be elected to serve for three (3) years. Thereafter, directors shall be elected by the members at the annual election meeting of the members to be held each year on the anniversary date of the first annual meeting. Three (3) directors shall be elected each year to serve for a term of three (3) years and shall serve until their successors are elected and qualified, all as prescribed in these Bylaws. No member may be re-elected or appointed to the Board who has been elected to a three (3) year term, served an elective or appointive term of two (2) or more years.~~

The Directors shall have the power to adopt Bylaws for the corporation which may cover any subject and may supplement and add to the provisions of the Articles of Incorporation so long as they are not in direct conflict with the Articles of Incorporation or with any other provisions herein contained.

These Bylaws may be amended, modified, revised or revoked by the Directors or by the members. In the event of conflict concerning these Bylaws as amended, modified, revised or revoked by the Directors the action of the members shall prevail.

~~The Director shall have the power to fill vacancies occurring in the Board or in any office. The Board may appoint from its own number executive committee and invest such committee with such powers as may be approved by the Directors.~~

Section ~~43~~. Vacancies. Vacancies on the Board of Directors caused by any reason other than removal under Article IV, Section 4 of these bylaws, shall be filled by vote of the majority of the remaining directors even though they may consist of less than a quorum and each person so elected shall serve as a director for the duration of the elected term of that directorship until the next annual meeting of the corporation when his successor shall be elected by the members.

Section ~~54~~. Removal of Directors. At any regular or special meeting of the members, any one or more of the directors may be removed with or without cause at any time by the affirmative vote of ~~seventy-five~~fifty-one percent (~~75~~51%) of the entire membership of record and a successor may then be elected to fill the vacancy thus created. Any Director so removed under this Section or by any other legally prescribed method, shall be ineligible to serve on the Board of Directors for a period of two (2) years following their date of removal. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section ~~65~~. Compensation. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid to a director for services performed by him for the corporation in any other capacity, unless a resolution authorizing such remuneration shall have been ~~unanimously~~ adopted by a vote of the Board of Directors before the services are undertaken.

Section ~~76~~. Organization Meeting. The first meeting of a newly elected Board of Directors ~~shall~~ may be held ~~immediately following at~~ the Annual Meeting of the Corporation at which the new Directors are elected, unless a majority of the Board of Directors is not present, in which case the Organization Meeting shall be held at the next regular meeting of the Board of Directors 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. The first order of business in each organizational meeting shall be the selection of board officers from amongst themselves. All officer positions shall be held only until the next annual meeting of the members unless an officer is removed by a majority vote of the board at any regular meeting of the board of directors.

Section ~~87~~. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place ~~as shall be held at such time and place~~ as shall be determined from time to time, by a majority of the directors. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail ~~or~~; telephone ~~or telegraph~~, at least ~~three (3) days~~seventy-two (72) hours prior to the day named for the meeting. Notice of regular meetings of the Board of Directors shall be given to each member of the association personally, by mail or by conspicuous posting not less than seventy-two (72) hours in advance.

Section ~~98~~. Special Meetings. Special meeting of the Board of Directors may be called by the President on three (3) days² notice to each director, given personally or by mail ~~or~~; telephone ~~or~~

~~telegraph~~, which notice shall state the time, place (as hereinabove 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 fifty percent (50%) of the directors.

Section ~~109~~. Waiver of Notice. Before or at any meeting of the Board of Directors, ~~and 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 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.~~

Section ~~110~~. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business; ~~but if at any meeting of the Board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time.~~ Should a director or director(s) at any time after a quorum has been established, leave the meeting prior to adjournment, the remaining directors, although less than a quorum, shall have the right to continue the meeting and all business transacted shall be as if a quorum remained.

Section ~~121~~. Adjournments. The Board of Directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary in the interests of the corporation, provided that no meeting may be adjourned for a period longer than thirty (30) days.

Section ~~1312~~. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the corporation and any managers or managing agents hired by the board of directors, handling or responsible for corporation funds shall furnish adequate Fidelity Bonds. The premiums on such bonds shall be paid by the corporation.

ARTICLE V

Officers

Section 1. Designation. The principal officers of the corporation 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 Secretary and an Assistant Treasurer and such other officers as in their judgement may be necessary.~~ The same person may hold any two ~~officer offices~~ offices except that the President may not at the same time hold ~~the office of Vice President or of Secretary.~~ any other office.

Section 2. Election of Officers. The officers of the corporation shall be elected annually by the Board of Directors at the first organization meeting of each new Board

Section 3. Removal of Officers. Upon an affirmative majority vote ~~of two-thirds (2/3)~~ 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. Removal as an officer does not constitute removal of the director from the board.

Section 4. President. The President shall be the chief executive officer of the corporation. He shall preside at all meetings of the members and of the Board of Directors. He shall have all of the general powers and duties which are normally vested in the office of the President of a corporation, including but not limited to the power to appoint committees from among the members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the corporation. Said committee appointments shall be ratified by a majority of the board and recorded in the minutes of the meeting.

Section 5. Vice President. 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.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the corporation; he shall have the custody of the seal of the corporation; he shall have charge of the membership books and such other 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.

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

Section 8. Compensation. No compensation shall be paid to officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the corporation in any other capacity, unless a resolution authorizing such remuneration shall have been ~~unanimously~~ adopted by a majority of the Board of Directors before the services are undertaken.

ARTICLE VI

Powers, Rights and Duties of the -Corporation and Members Thereof

The corporation and its members shall have all the powers, rights, duties and obligation set forth in the Articles of Incorporation for the corporation, these Bylaws, rules and regulations pursuant thereto, and recorded Covenants, Conditions and Restrictions on the property, and as any of the

same may be duly adopted or amended. No transfers of membership in the corporation shall be made except as provided herein and no ~~such transfer~~ of voting rights shall be ~~made recognized~~ upon the books of the corporation within ten (10) days ~~next~~ preceding the annual meeting of the members.

~~The members and~~The Board of Directors, ~~or each of them,~~ shall have the express authorization, right and power to enter into one or more management agreements with third parties in order to manage and maintain the common elements and promote efficiency and cooperation for the full enjoyment thereof by any of the grantees of the units within the T-1 tract, including the real property described in Article II herein, and to accomplish the duties and purposes set forth in the Articles of Incorporation for the corporation and the Covenants, Conditions and Restrictions on the property. The terms of said management agreements shall be as determined by the Board of Directors to be in the best interests of the corporation, and shall be subject to the Articles of Incorporation, these Bylaws and the Declaration of Covenants, Conditions and Restrictions affecting said property. Any contract for management shall contain the language that said management agreement may be cancelled with or without cause and for any reason and without penalty or recourse, upon thirty (30) days written notice to the managing agent.

ARTICLE VII

Corporate Seal

The Board of Directors shall provide a suitable corporate seal containing the name of the corporation, which seal shall be in the custody and control of the Secretary.

The corporation seal shall be in circular form, shall have inscribed thereon the name of the corporation, the year it was organized and the word "Arizona". If and when so directed by the Board of Directors, a duplicate seal may be kept and used by such officer or other person as the Board of Directors shall name.

ARTICLE VIII

Miscellaneous

Section 1. Books and Accounts. Books and accounts of the corporation shall be kept under the direction of the Treasurer and in accordance with the reasonable standards of accounting procedure and prudence.

Section 2. Auditing. At the closing of each fiscal year, the books and records of the corporation shall be Compiled, Reviewed or Audited and all income taxes shall be prepared and filed by a

Certified Public Accountant, whose report will be prepared and certified. Based on such reports the corporation will have available for inspection by its members a statement of the income and disbursements of the corporation for each fiscal year.

Section 3. Inspection of Books. Financial reports, such as are required to be furnished, and the membership records of the corporation shall be available at the principal offices of the corporation for inspection at reasonable times by any members, or interested parties such as any first mortgagee.

Section ~~54~~. Fiscal Year. The fiscal year of the corporation shall be ~~determined by the Board of Directors and shall be subject to change by the Board of Directors should corporation practices subsequently necessitate such change.~~ the calendar year.

ARTICLE IX

Amendments of the Bylaws

Section 1. Amendment by the Members. These Bylaws may be amended by the affirmative vote of a majority of the members present or represented by ~~proxy mail-in~~ absentee ballot at any regular or special meeting, provided, that a quorum as prescribed in Article III, Section 5 herein, is present at any such meeting. Amendments may be proposed by the Board of Directors or by a petition signed by at least fifty-one percent (51%) of the members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon. These Bylaws may not be amended insofar as such amendment would be inconsistent with the recorded restriction on the property.

Section 2. Amendment by the Directors. The Directors of the corporation by the affirmative vote of ~~all a majority of~~ the directors of the corporation, may amend or alter the Bylaws of the corporation at any regular meeting or at any special meeting provided that no such alteration or amendment by the Board of Directors shall increase the power of the Board of Directors. The statement of any proposed amendment shall accompany notice of any regular or special meeting at which such proposed amendment shall be voted upon. These Bylaws may not be amended insofar as such amendment would be inconsistent with the recorded restriction on the property.

_____, I, the undersigned, being the Secretary of T-1 MANAGEMENT COUNCIL, do hereby certify the foregoing to be the Bylaws of said corporation, as adopted at a meeting of the Board of Directors held on the _____ day of _____, ~~1974~~ 2017.

Secretary