

PALM COURT CONDOMINIUM ASSOCIATION

BYLAWS

ARTICLE I

The principal office of the Association shall be located in the home of the President of Palm Court Condominium Association in the city of Sun City, County of Maricopa. The Association may have such other offices, within Sun City, Arizona, as the Board of Directors may determine, or as the affairs of the Association may require from time to time.

ARTICLE II - CONFIRMATION OF DECLARATION OF RESTRICTIONS

The Declaration of Restrictions recorded in Docket 8008 Page 772, of the records of the County Recorder of Maricopa County, State of Arizona, affecting the following described real property and improvement situated in Maricopa County, Arizona, to wit:

TRACT "C" and "M" and LOTS 265 through 297, both inclusive, SUN CITY UNIT FIFTEEN C (15C), according to a plat thereof recorded in the office of the County Recorder in Book 128 of Maps, at Page 16 thereof.

In the event of any conflict or inconsistency between the Declaration of Restrictions, the Bylaws, or Association Rules, the Declaration of Restrictions shall control.

ARTICLE III – PURPOSE

The purposes of this association, in addition to those set forth in the aforesaid Declaration of Restrictions, are:

1. To provide for the management of the Condominium Association including the common elements of the afore described real property and improvement.
2. To assess the owners and pay on their behalf for the operation and maintenance of the Condominium Association as set forth hereafter.
3. To adopt Rules and Regulations for the use of the individual units and common areas in which it will increase the enjoyment of the property by the owners and the occupants.

ARTICLE IV – MEMBERS

SECTION 1. Classes of members. The Association shall have one class of members consisting of all owners of units in the afore described real property, whether one or more, while such ownership continues.

SECTION 2. Voting rights. Members shall have one vote for each unit owned regardless of the number of owners of the unit. There shall be no fractional votes for any unit.

SECTION 3. Termination/Transfer of Membership. Membership in the Association shall terminate immediately upon a member divesting himself or herself from holding an ownership interest in a unit.

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The successor entitled thereto shall immediately become a member as therein before set forth upon being vested with title therein.

ARTICLE V - MEETINGS OF MEMBERS

SECTION 1. Annual Meeting. The Annual Meeting of Palm Court Condominium Association shall be held in November of each year, the date, time and place of such meeting to be determined by the Board of Directors. Each member/owner shall be notified at least ten (10) days prior to the meeting. Attached to or as a part of the notice shall be a written description of any proposed major repairs or replacements included in the budget, and a list of Board of Directors nominees and their qualifications. The meeting shall be held for the purpose of electing members of the Board of Directors and for the transaction of such other business as may come before the meeting.

The annual budget shall be approved by the unit owners at the November Annual Meeting to be in compliance with the new calendar year.

The order of business at the annual meeting may be:

1. Roll Call and establishment of a quorum
2. Minutes of the previous Annual meeting
3. President's Annual Report
4. Financial Report
5. Committee Chair Reports
6. Old Business
7. New Business, including election of Board of Directors

SECTION 2. Special Meetings.

- A. Special Meetings may be called by the President or by a majority of the Board of Directors at any time upon receipt by him/her of a written petition signed by the representatives of at least twenty-five percent (25%), which would be nine (9) members. Regardless which board member receives the petition he/she is to notify ALL Board of Directors of the petition.
- B. A Board member can be removed with or without cause. Whether the petition is to remove one (1) Board member, or a majority of the Board, a Written Secret Ballot shall be sent to all condo owners along with the Notice of Meeting so the membership can decide whether the Board Member(s) should or should not be removed from the Board of Directors. The majority vote will be determined by the number of ballots cast.
- C. A Special Meeting requested by the Voting Units shall be held in not fewer than ten and not more than fifty (50) days after a petition shall have been received by the President, or Board of Directors. The date, time and place of such Special Meeting shall be given in writing to each Voting Unit. No business shall be transacted at any special meeting except that which is stated in the notice of the meeting.
- D. If a majority of the Board of Directors are removed by Ballot there will be another Secret Ballot sent to each unit to vote for a new majority to the Board. If one (1) member of the Board is removed the Board of Directors shall replace him/her with another unit owner to fill out the balance of his/her term.

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SECTION 3. Notice of Meetings. Written notice stating the date, time and place of any meeting of members shall be delivered, either personally, by mail, or email to each member entitled to vote at such meeting, not less than ten (10) days before the date of such meeting, by or at the direction of the President, Secretary, Treasurer, or persons calling the meeting. In case of a special meeting or when required by statute or by these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail and addressed to the member at his address as it appears on the records of the association, with postage thereon prepaid.

SECTION 4. Quorum. Quorum shall be declared at any group meeting if at least fifty-one percent (51%) of the voting unit members are present in person or by absentee ballot. If a quorum is not present in person or by absentee ballot at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

SECTION 5. Voting. All voting shall be by written secret ballot. The Board of Directors will determine the location for the ballots to be returned. The Board will appoint at least two (2) people to count the ballots using a Tally Sheet.

SECTION 6. Nominees. Nominations for the Board of Directors shall be submitted to the Board of Directors by the first week in October each year. The Board of Directors shall set the deadline date and send Notice to each voting unit to elect the Board.

SECTION 7. Absentee/Fax/Email Ballot. At any meeting of members, a member entitled to vote may do so by absentee ballot executed in writing by the member or by his duly authorized attorney-in-fact. Absentee ballots may be received by mail, fax or email.

SECTION 8. Rules of Order. Meetings shall be governed by "Robert's Rules of Order."

ARTICLE VI - BOARD OF DIRECTORS

SECTION 1. General Powers. The Board of Directors shall have all of the powers delegated to the Board of Directors in the aforesaid Declaration of Restrictions as amended.

SECTION 2. Number, Tenure, Qualifications. The Board of Directors composed of three (3) members, shall be elected at the Annual Meeting for a term of one (1) year. Not more than one member of a Voting Unit shall serve on the Board of Directors at the same time.

SECTION 3. Regular Meeting of Newly Elected Board of Directors. A regular annual meeting of the Board of Directors shall be held without other notice than this bylaw, immediately after and at the same place as the annual meeting of the members, for the purpose of electing from their number a President, Secretary, and Treasurer.

SECTION 4. Special Board Meetings.

- A. Special meetings of the Board of Directors shall be held at least quarterly or may be called by or at the request of the President and/or a majority of the Board of Directors. The person or persons authorized to call special meetings of the Board shall fix the date, time and place of the special meeting, provided that it shall be within Arizona. Minutes of each meeting shall be recorded and copies given to all members of the association.

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- B. Such special meetings shall be opened to all members or any person designated by a member in writing as the member's representative. Members or their representatives shall be permitted to speak at an appropriate time, with a reasonable time restriction as set by the Board, but shall permit a member or representative to speak before the board takes formal action on an item under formal discussion. The Board shall provide for a reasonable number of persons to speak on each side of an issue.
- C. The Board may go into Executive Session only to discuss the following:
1. Legal advice from an attorney for the Board or the association;
 2. Pending or contemplated litigation;
 3. Personal health and financial information about a member of the association, an individual employee of the association, or an individual employee of a contractor for the association.

SECTION 5. Notice. Notice of any special meeting of the Board of Directors shall be given at least forty-eight (48) hours in advance of the meeting prior thereto by telephone, by written notice delivered personally or sent by mail, e-mail, or fax to all unit owners at the address as shown by the records of the association. The Notice will provide the date, time, place and Agenda of the meeting.

SECTION 6. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. Actions shall be documented in writing for the record.

SECTION 7. Manner of Acting. The act of a majority of the Board Members present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, by these bylaws, or by the aforesaid Declaration of Restrictions.

SECTION 8. Vacancies. A vacancy on the Board shall be filled by the remaining majority of members by selecting a Unit Owner, with his/her consent, to serve until the next Annual Meeting. However, on removal of a majority of the Board of Directors the association shall hold an election by secret ballot for the replacement of the removed directors at a special meeting.

SECTION 9. Removal. A Board Member, whether one or a majority, may be removed by fifty-one percent (51%) of votes cast by secret ballot. Each voting unit shall be notified of the date, time and place in writing, along with the secret ballot, not less than ten (10) days prior to the meeting.

SECTION 10. Compensation. Board Members shall not receive any compensation for their services as a member of the Board of Directors.

SECTION 11. Informal Action by Directors. Any action required by law to be taken at a meeting of the Board Members, or any action which may be taken at a meeting of Board of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Board Members.

SECTION 12. Duties. The Board of Directors shall carry out the purposes of the Association as directed at the annual and/or the special meeting of the members, shall enter into contracts on behalf of the

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Association and shall take such actions as it deems necessary to establish and collect assessments, and to enforce the Deed Restrictions, these Bylaws, and Rules and Regulations of the Association.

SECTION 13. Records. The outgoing Board shall deliver all records, supplies, keys, and equipment to the newly elected Board within twenty-four (24) hours following the Annual Meeting. A retired or removed Board of Directors must also comply with the aforementioned bylaw.

ARTICLE VII - OFFICERS/DUTIES

The ultimate responsibility for the association is with the Board of Directors. The president or any other director does **not** have the authority to do anything beyond the approval of the majority of the board.

SECTION 1. President. The President shall be the principal executive officer of the Association and shall supervise all the business and affairs of the Association. He/she shall preside at all meetings of the members and of the Board of Directors. He/she may sign any instruments which the Board of Directors has authorized to be executed. The president does not have the authority to do anything beyond the approval of the majority of the board.

SECTION 2. Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these bylaws or as required by law or the aforesaid Declaration of Restrictions; be custodian of the records & provisions of these bylaws; keep a register of the post-office address of each member which shall be furnished to the Secretary by such member; and in general perform all duties incident to the Office of Secretary, including correspondence and such other duties as from time to time may be assigned to him/her by the President or Board of Directors.

SECTION 3. Treasurer. The Treasurer is responsible for association funds, keeping and maintaining a complete set of financial accounting records, ensuring the financial stability of the association, reviewing and understanding the association's financial records each month; presenting a complete review of the association's financial status to the board at the regular board meeting; overseeing the preparation of the annual budget including the reserve accounts and assuring adequate funding of both.

ARTICLE VIII – COMMITTEES

SECTION 1. Committee Appointments. Committees shall be appointed by the Board of Directors as needed, and shall report their recommendations to the Board of Directors. Committee members, including the Chairperson, are to be approved and appointed by the Board of Directors. The Board of Directors may assign specific duties to any committee.

SECTION 2. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the members of the Association unless the committee shall be terminated sooner or, unless such member ceases to qualify as a member.

SECTION 3. Vacancies. Vacancies of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

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ARTICLE IX - CONTRACTS, CHECKS, DEPOSITS, FUNDS

SECTION 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the association in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

SECTION 2. Checks, Drafts, etc. All checks, drafts or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by one other Board member of the association. The Board of Directors may direct the financial institution maintaining the funds of the Association to make regular payments under contractual arrangements approved by the Board, and pay bills for goods and/or services not covered by formal contracts that are approved by the Board prior to being paid.

SECTION 3. Deposits. All funds of the Association shall be deposited to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select. The institution selected to be the custodian of the funds of the Association shall provide to the Board of Directors a monthly report of all receipts and disbursements.

SECTION 4. Gifts. The Board of Directors may not personally accept gifts to include any contribution, gift, bequest or device for themselves. However, gifts to include any contribution, gift, bequest or device may be accepted which will benefit all residents of the Association for general or special purposes shared by all condominium owners.

SECTION 5. Finances.

1. All Discretionary monies appropriated to the budget shall still get approval of the majority of the Board of Directors before being spent.
2. The Treasurer shall prepare a copy of the monthly Balance Sheet, Budget Comparison Report, and Reserves Statement to be provided to unit owners upon request.
3. **Legal Counsel.** Retaining the services of an attorney shall only be legitimate when approved by ALL Board of Directors. Using an attorney for answers that can be found with simple research shall be considered flagrant and unnecessary and shall not be approved. Such use of a law firm shall be considered a violation of the Boards fiduciary responsibility to the condo owners.
4. **Surplus Monies.** Any surplus monies of the association remaining at end of the year, after payment of or provision for common expenses and any prepayment to reserves shall be prepaid into a reserve account. The Board will make the decision as to which Reserve account the monies will be allocated.

ARTICLE X - BOOKS & RECORDS

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The Association shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at its principal office, a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time by appointment.

ARTICLE XI - AMENDMENT OF BYLAWS

If it is deemed these Bylaws should be amended the Board of Directors shall act as a committee; or the Board of Directors may appoint a special Bylaws Committee to make recommendations to the Board for approval. The Association membership will approve or disapprove the recommendations by a fifty-one percent (51%) vote by ballot.

ARTICLE XII – INDEMNIFICATION

1. The Association shall indemnify duly elected boards of management or appointed directors, officers, employees, committee members or volunteers, hereinafter referred to as “indemnified individuals”, of the Association, including their estates, heirs, legal representatives or assigns, against any costs and expenses including counsel fees, reasonably incurred in connection with any criminal, civil, administrative or other claim, action, suit or proceeding in which he/she or they may become involved or with which he/she or they may be threatened, by reason of his/her being or having been an officer, director, employee, committee member, or volunteer of the Association, and against any payments in settlement of any such claim, action, suit or proceedings or in satisfaction of any related judgment, fine or penalty, except costs, expenses or payments in relation to any matter as to which he/she shall be finally adjudged derelict in the performance of his/her duties to the Association or except as prohibited by law.
2. In the case of a criminal action, suit or proceeding, a conviction or judgment (whether after trial or based on a plea of guilty or nolo contendere or its equivalent) shall not be deemed an adjudication that the indemnified individual was derelict in the performance of his/her duties to the Association, if he/she acted in good faith in what he/she considered to be the best interest of the Association and with no reasonable cause to believe the action was illegal.
3. The foregoing right of indemnification shall not be exclusive of other rights to which indemnified individuals and others may be entitled as a matter of law or otherwise.

ARTICLE XIII – SUSPENSION OF VOTING RIGHTS

The Board of Directors may suspend the voting rights of a unit owner for any period during which any assessment or charge against the unit remains unpaid or for any other infraction or violation of the association’s governing documents. Further, the Association would not include that unit owner in determining a quorum since the owner would not be eligible to vote on any condominium matters. The unit owner’s right to vote shall be reinstated by the Board of Directors when violations are corrected.

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ARTICLE XIV – INSURANCE INFORMATION REQUIREMENT

Palm Court Condominium Association has a Master Blanket Insurance Policy which is paid for by unit owner's assessment fees.

The policy covers the structure and all permanently attached fixtures such as cabinets, flooring, built-in appliances, satellite dishes and solar panels. Unit owners will be covered for such things as fire, lightning, wind, hail, vandalism, and sudden and accidental water damage. Please remember that leaky pipes over an extended period of time are not covered. If there is no damage to the roof from a storm then there is no coverage for a leaky roof. This policy does provide limited coverage for mold up to \$15,000 for a covered claim.

If anyone feels that they may have a claim, it is imperative you contact someone from the Board **first** before turning it in. The 800 phone number must not be used to turn in a claim – the claim must be made through the local Insurance office only after the Board has been contacted. There is a \$10,000 deductible on the Master Policy that the condo owner is responsible for in whole or in part depending on the circumstance.

Unit owners will be responsible for his/her personal Condo Owners Insurance Policy to cover the contents, personal liability and the master policy deductible. The deductible is a separate rider on your personal policy and not all insurance companies carry it so check with your agent.

Unit owners shall complete an Insurance Form listing their insurance company, agent's name, address, and phone number to be kept in the Associations files. It is the responsibility of the unit owner to notify the Board of Directors if the information changes.