

BY-LAWS  
OF  
GRANT ROAD INDUSTRIAL CENTER OWNERS ASSOCIATION, INC.

ARTICLE I

DEFINITIONS AND APPLICABILITY

Section 1.01. Definitions. Unless the context otherwise specifies or requires, the words and phrases used in these By-laws shall have the same meaning as defined in Article I, paragraph \_\_\_\_ of the Declaration of Conditions, Covenants, Easements and Restrictions of GRANT ROAD INDUSTRIAL PARK, recorded MARCH 20, 1992 in Book 9252 at pages 578 through 606 inclusive in the office of the County Recorder of Pima County, State of Arizona. "Majority of owners" as used herein shall mean the owners who own more than one-half, i.e., fifty-one percent (51%) of the lots authorized to vote in accordance with the Declaration.

Section 1.02. By-Law Applicability. The provisions of these By-laws shall be applicable to the Property which shall include all buildings erected, and all improvements made or to be made thereon. The mere acquisition or rental of any lot will signify that these By-laws are accepted, ratified and will be adhered to by such Purchaser or Tenant.

Section 1.03. Personal Application. All present or future owners, tenants, or their employees, or any other person that might use the facilities on the Property in any manner, are subject to the regulations set forth in these By-laws.

Section 1.04. Interpretation. These By-laws shall be interpreted and construed pursuant to and in accordance with all matters set forth in the Declaration.

ARTICLE II

MEMBERSHIP AND VOTING

Section 2.01.

A. Certificates of Membership. Each owner is automatically a member of the Association. The Association shall, upon incorporation, issue the same number of certificates of membership in the Association as there are lots. In the event any lot is owned by two or more persons or entities, a single certificate shall be issued in the name of all of said persons, and said persons shall designate to the Association, in writing, that one of their number is authorized to vote at any and all meetings of the Association. No certificate shall be transferred to any person or persons other than an owner of a lot. Any member who has disposed of all of his interest in any lot shall forthwith surrender his certificate evidencing membership in the Association, and a new certificate shall be issued in the name of the new owner of the lot. Failure to surrender such certificate shall nevertheless, upon the transfer by a member of his interest in any

lot, void his certificate and all of his rights as a member of the Association.

B. Membership Transfers. No certificate of membership in the Association held by an owner shall be transferred, pledged or alienated in any way except upon the transfer of his interest in his lot, and then only to the new owner of his lot. Any attempt to make a prohibited transfer shall be void and will not be reflected upon the books of the Association. In the event an owner shall fail or refuse to transfer the certificate registered in his name to the new owner of his lot, the Association shall have the right to record the transfer upon the books of the Association and issue a new certificate to such owner, and thereupon the old certificate outstanding in the name of the transferor shall automatically be null and void as though it had been surrendered.

C. Transfer Fee. Upon sale of a lot by an owner, a \$100.00 transfer fee shall be paid by seller to the Association to cover the administration costs and issuance of a new certificate to the new owner of the lot and to modify the books of the Association. This fee shall be due and payable upon closing of a sale from seller to a new owner.

Section 2.02. Voting. Owners shall each have one vote and the right to vote may not be severed or separated from the

ownership of a lot, except that the owner may give a proxy as provided for in the following Section 2.03.

Section 2.03. Proxies. Votes may be cast by proxy provided that proxies are filed with the Secretary of the Association at or before the appointed time of the meeting. A proxy, properly filed with the Secretary of the Association, shall be valid for a maximum period of twelve (12) months from the date of such filing; provided, however, no proxy shall extend beyond a fiscal year of the Association, and each proxy shall automatically terminate upon transfer by the member of his interest in his lot.

### **ARTICLE III**

#### **ADMINISTRATION**

Section 3.01. Association Responsibilities. The Association shall have the responsibility of administering the Common Area, approving the annual budget, establishing and collecting assessments together with such other responsibilities as set forth in these By-laws, the Articles of Incorporation and the Declaration. In general, the Association shall be the representative of each owner for every problem which affects more than one lot.

Section 3.02. Annual Meetings of Members. There shall be an annual meeting of the members on the first Monday in December of

each year at such time and place convenient to the members as may be designated by the Board of Directors. The Board of Directors may designate another date for such annual meeting not more than thirty (30) days before or after the date fixed for said annual meeting by written notice of the Board given to the members, not less than ten (10) nor more than sixty (60) days prior to the date fixed for said annual meeting specifying the date, time and place thereof.

Section 3.03. Special Meetings of Members. A special meeting of the members may be called at any reasonable time and place by written notice of the Board of Directors or by the members having one-fourth (1/4) of the total votes and delivered to all other members not less than ten (10) days nor more than thirty (30) days prior to the date fixed for said meeting, specifying the date, time and place thereof, and the nature of the business to be undertaken. No business shall be transacted at a special meeting except as stated in said notice.

Section 3.04. Notice of Meeting. It shall be the duty of the Secretary of the Association to mail or deliver a notice of each annual or special meeting within the time period specified above stating the purpose thereof as well as the date, time and place where it is to be held to each member of record. The mailing or delivery of such notice to each member shall be considered notice served.

Section 3.05. Quorum and Adjourned Meeting. The presence at any meeting, in person or by proxy, of the members entitled to vote at least fifty percent (50%) of the total votes shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the members present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called. Except as otherwise provided herein, or in the Articles of Incorporation, any action may be taken at any meeting of the members upon the affirmative vote of the members having a majority of the total votes present at such meeting either in person or by proxy.

Section 3.06. Order of Business, The order of business at all regular annual meetings of the Association shall be as follows:

- A. Roll Call.
- B. Proof of notice of meeting or waiver of notice.
- C. Reading of the minutes of preceding meeting.
- D. Report of officers.
- E. Report of committees.

F. Unfinished business.

G. Election of Directors.

H. New business.

## ARTICLE VI

### BOARD OF DIRECTORS

Section 4.01. Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors, who shall be members, comprised of not more than nine (9) persons, nor less than three (3) persons, and furthermore, that such number of Directors shall be an odd number.

Section 4.02. Election and Term of Office. Subject to the requirements of Section 4.01 of the By-laws, the Directors shall be elected at a regular annual meeting of the Association by a vote of a majority of members present either in person or by proxy constituting a quorum, for a term of one (1) year, and shall hold office until their successors are elected and qualify. The members of the Board may succeed themselves indefinitely.

Section 4.03. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by the vote of the members shall be filled by vote of the majority of the

remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next regular meeting of the Association.

Section 4.04. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the members and a successor may then and there be elected to fill the vacancy created. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 4.05. Organization Meeting. The first organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting.

Section 4.06. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least one meeting per month shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, or telephone at least three (3) days prior to the day set for such meeting.

Section 4.07. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally, by mail or telephone, which notice shall state the date, time, place and purpose of the meetings. 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 two (2) Directors. Notwithstanding the foregoing, a majority of the Directors may waive the three (3) days' notice requirement for calling a special meeting and convene a special meeting at such date, time and place **as** agreed upon by the majority of Directors, provided all Directors have been given notice.

Section 4.08. Board of Director's Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a majority for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If less than a quorum is present, the majority of those present may adjourn the meeting to another time and place. At any such continued meeting, providing a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4.09. Powers and Authority of the Board. The Board of Directors shall have all the powers of an Arizona nonprofit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Association's Articles of Incorporation, these By-laws and the Declaration. The Board shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of said Articles, these By-laws and the Declaration, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association. Without in any way limiting the generality of any of the foregoing provisions, the Board shall have the power and authority at any time to do the following:

A. Care, upkeep, repair and supervision of the Common Areas and facilities. The Board shall determine all maintenance and repair expenses in excess of \$1,000.00 on the basis of at least three (3) independent bids, whenever possible; the bids shall be submitted by reputable contractors or persons in the business of performing said maintenance and repairs. The Board shall select the best bid, which need not be the lowest bid, and the Board's decision in this regard shall be final and conclusive.

B. Collection of assessments from owners.

C. Designation and dismissal of personnel necessary for the maintenance and operation of the Common Area.

D. Maintain insurance coverage as provided in the Declaration and use the insurance proceeds to repair and replace any damage or destruction of property, real or personal, covered by such insurance and pay any balance remaining to the owners and their mortgagees as their interest may appear.

E. To grant and convey to any person easements, rights of way, parcels or strips of land in, on, over, or under any Common Areas for the purpose of constructing, erecting, operating or maintaining thereon, therein and thereunder (1) roads, streets, walks, and driveways; (2) temporary overhead or permanent underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, telephone, cable t.v., and other purposes; (3) sewers, storm drains and pipes, water systems, water, heating and gas lines or pipes; and (4) any similar public or quasi-public improvements or facilities.

F. To retain and pay for legal and accounting services necessary or proper in the operation of the Common Area and facilities, enforcement of these Articles, By-laws, and the Declaration, or in any of the other duties or rights of the Association.

G. To maintain and repair any private water system, drainage and other easements, roads, roadways, roadway rights of way, parking lots, median strips, entry details, walls or other areas not maintained by governmental entities.

H. To obtain or pay for, as the case may be, any other property, or services, which the Board deems necessary including security services for the Common Areas and facilities.

I. To enter at any reasonable time upon any exterior portion of any improvements for the purpose of carrying out its duties and obligations for exterior maintenance and landscaping pursuant to the Declaration.

J. In the event any property owned by the Association or exterior of any improvement is damaged or destroyed by an owner or any of his guests, agents or members of his family, the Association may require such owner to repair such damage in a good workmanlike manner in conformance with the original plans and specifications. In the event that the Association requires such owner to repair the damage and the owner fails to make or complete the repairs within a reasonable length of time, the owner does hereby irrevocably authorize the Association to repair the damage in a good workmanlike manner in conformance with the original plans and

specifications. Said owner shall then repay the Association in the amount actually expended for the repairs.

In the event of a dispute between an owner and the Board of Directors with respect to the cause of damage or the extent of repairs necessitated or with respect to the cost thereof, then upon written request of the owner delivered to the Association, the matter shall be submitted to arbitration under such rules, as may from time to time be adopted by the Association. If no such rules have been adopted, then the matter shall be submitted to three (3) arbitrators, one chosen by the Board of Directors, one chosen by the owner, and these two arbitrators shall choose a third arbitrator. If the two arbitrators cannot agree as to the selection of the third arbitrator, then the same shall be selected by the presiding judge of the Superior Court of Pima County, Arizona. A determination by any two of the three arbitrators shall be binding upon said owner and the Association, who shall share the cost of arbitration equally. In the event one party fails to select an arbitrator within ten (10) days after receipt of a request in writing for arbitration from the other party, then said other party shall have the right and authority to choose both arbitrators.

**K.** To regulate the use of and provide for appropriate safety measures for all private roadways and parking areas.

L. To construct new improvements or additions to the Common Areas or demolish or replace existing improvements; provided that in the case of any improvements, additions, or demolition (other than maintenance or repairs to existing improvements and reconstruction) involving a total expenditure in excess of One Thousand Dollars (\$1,000.00), the vote of members having two-thirds (2/3) of the total vote present, voting either in person or by proxy at an annual or special meeting called for the purpose of approving plans, and a maximum total cost therefor, shall first be obtained. The Board shall levy a special assessment on all owners for the cost of such work pursuant to these By-laws and the Declaration.

Section 4.10. Taxes. Owners shall pay all real estate and personal property taxes which may be assessed against the respective lots. The Association shall pay all taxes levied upon any property owned, conveyed, leased or otherwise transferred to the Association, to the extent not assessed to owners.

Section 4.11. Fidelity Bonds. The Board of Directors shall have the authority to require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate bonds.' The premiums on such bonds shall be paid by the Association.

Section 4.12. Assessments. The Board of Directors shall levy and collect assessments pursuant to the provisions of the Articles, these By-laws and the Declaration.

The Board of Directors shall provide for the keeping of books with detailed accounts affecting the administration of the Common Area. The books and vouchers shall be made available for examination to any of the owners at convenient hours on working days.

Section 4.13. Authorized Payments by the Association. The Board of Directors shall have the exclusive authority to make payments out of the Association's funds for the benefit of each owner; this authority shall include but shall not be limited to the following:

A. Utility service for the Common Areas.

B. All goods, materials, supplies, labor, services, maintenance, repair, alterations, reconstruction and insurance which the Board of Directors is authorized to obtain and pay for pursuant to the Articles, these By-laws and the Declaration or which are authorized by the owners for the convenient operation of the Common Area.

C. If required by the laws of the State of Arizona or any other governmental body or authority having jurisdiction over the property, workmen's compensation insurance with limits as required by such law.

D. Professional management services as provided herein, legal, accounting and other services contracted for by the Board of Directors if it is deemed necessary by them for the operation and maintenance of the Common Area, protection of any of the Common Area or to be in the best interest of the owners.

E. Maintenance and repair of any improvement if such maintenance or repair is necessary in the discretion of the Board of Directors to protect the Common Area, and any owner has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board of Directors to said owner. In such event, the Board of Directors shall levy and collect a special assessment against such owner for the cost of the maintenance or repair.

F. All costs of enforcing the provisions of the Articles, these By-laws and the Declaration, including attorney's fees and court costs, provided that all costs incurred for the enforcement of the provisions of these By-laws and the Declaration against any owner shall be assessed against such owner.

G. The Board of Directors of the Association shall provide that Association dues, charges or assessments shall include an adequate reserve fund for maintenance, repairs and replacement of those elements of the common areas and common property owned by the Association that must be replaced on a periodic basis. All such dues, charges and assessments imposed by the Association shall be paid on a periodic basis in regular installments rather than by special assessments.

Section 4.14. Rules and Regulations. The Board of Directors shall have the power to adopt and publish rules and regulations governing the use of the Common Area, and such rules and regulations shall be binding upon the members of the Association.

Section 4.15. Liability of Board Members. No member of the Board of Directors shall be personally liable to any owner for any damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, its representatives or employees, provided that such Board member has, upon the basis of such information as may be possessed by him, acted in good faith.

## ARTICLE V

### OFFICERS

Section 5.01. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary and Treasurer, all of whom shall be Directors. Any office may be combined with any other office, except the offices of President and Secretary.

Section 5.02. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 5.03. Removal of Officers. Upon an affirmative vote of a majority 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 of Directors called for such purpose.

Section 5.04 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President of a corporation, including, but not limited to, the power to appoint committees from among the owners

from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5.05. Vice President. The Vice President shall take the place of the President and perform 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 other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 5.06. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. The Secretary shall have charge of such books and papers as the Board of Directors shall direct, and shall in general perform all the duties incident to the office of Secretary.

Section 5.07. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects which he personally collects in the name, and to the credit, of the Association in depositories as may, from

time to time, be designated by the Board of Directors. All funds of the Association over which the Treasurer has direct control shall only be withdrawn upon his signature, and the Board may require the signature of two members of the Board for disbursement of Association funds.

## ARTICLE VI

### AMENDMENTS

Section 6.01. By-laws. These By-laws may be amended in the same method and manner as provided for in the Declaration. These By-laws shall not be amended as to be inconsistent with, or in opposition to, any provisions in the Declaration or the Articles.

## ARTICLE VII

### MORTGAGES AND DEEDS OF TRUST

Section 7.01. Notice to Association, An owner who encumbers his lot shall notify the Association through the management agent, if any, or the President or Secretary of the Association in the event there is no management agent, giving the name and address of the secured party, and the Association shall maintain such information in a book entitled "Encumbrances of Lots."

Section 7.02. Notice of Unpaid Assessments. The Association shall, at the request of a secured party of a lot, report any unpaid assessments due from an owner.

Each secured party holding a first mortgage or first deed of trust shall, upon notice to the Association, be entitled to a written notification from the Association of any default by an owner of an encumbered lot in the performance of any obligation under the Declaration, the Articles of Incorporation, By-laws, or Rules and Regulations of the Association which is not cured within sixty (60) days after written notice to the owner.

Secured parties are hereby granted the right to jointly, or singly, pay taxes or other charges which are in default and which may or have become a charge against any common area or other common property owned by the Association, and such secured party may, jointly or singly, pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such common areas or common property, and any secured parties making such payments shall be owed immediate reimbursement therefor from the Association.

Nothing in these By-laws shall in any manner be deemed to give an owner, or any other party, priority over any rights of a secured party holding a first mortgage or first deed of trust on a lot pursuant to the terms of such secured party's security interest in

the case of a distribution to an owner of insurance proceeds or condemnation awards for losses to, or a taking of, Common Areas owned by the Association.

ARTICLE VIII

INCONSISTENCIES OF DOCUMENTS

Section 8.01 In the event of any conflict or inconsistency between the provisions of these By-laws and the Declaration of Conditions, Covenants, and Restrictions recorded in the office of the County Recorder, Pima County, Arizona, in Docket 9252 at Page 578, as amended by instrument recorded in Docket      at Page     , the terms and provisions of the Declaration shall prevail and supersede such conflicting or inconsistent provisions of these By-laws. Neither the Association nor the Board of Directors, nor any agent or employee shall be authorized or empowered to take any action inconsistent with the provisions of the above referenced Declaration.

IN WITNESS WHEREOF, the Association, a nonprofit Arizona corporation, has hereunto caused its corporate name to be signed, its corporate seal affixed, and the same to be attested by the signature of its Directors this 12<sup>th</sup> day of MARCH, 1992.

GRANT ROAD INDUSTRIAL CENTER  
OWNERS ASSOCIATION, INC.

By Kathleen C. Gudman  
Director

By Letitia J. Piles  
Director

By Kathryn P. Chalpin  
Director

9202261010.rmy.920110