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BYLAWS

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BYLAWS

Restated By-Laws of Sun Air Estates Unit 1, Inc.

Amending By-Laws recorded 11-1-1999 at Docket number 99-100751

1.1 Principal Office. The principal office of this Association shall be located at the place as is designated in the Articles of Incorporation or such other place as the Association may be designated from time to time in accordance with the Arizona statues governing nonprofit corporations, but meetings of members and directors may be held at such other place within the State of Arizona as may be designated by the Board of Directors.

1.2 Conflicting Provisions. In case of any conflict between the Articles of Incorporation and the Bylaws, the Articles shall control; and in case of any conflict between the Declaration of Horizontal Regime and the Restrictions and these Bylaws, the Declaration or Restrictions will control.

1.3 Designation of Fiscal Year: The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year.

1.4 Books and Records The books, records and papers of the Association shall be available for inspection by any Member during reasonable business hours and with reasonable notice. Persons requesting copies must pay for or "bear" the expense of copies.

1.5 Amendments

1.5.1 These Bylaws may be amended at a regular or special meeting of the Members, by a vote of the Members having more than fifty percent (50%) of the votes entitled to be cast by the Members present or by absentee ballot. Members will vote by casting ballot.

1.5.2 The Board, without a vote of the Members and without the consent of any First mortgagee, may amend these Bylaws in order to conform these Bylaws to the Mortgage Corporations, the Federal Housing Administration, the Veterans Administration or a federal, state or local government agency whose approval is required by law or requested by the Declarant or the Board.

1.5.3 All votes relating to Association election of the Board or removal of a Board member(s) shall be done in a manner to protect the identity of the voting member. The verification of the Members ownership form will be returned in an envelope, which will also contain the sealed ballot to ensure the privacy/confidentiality of the member's voting privilege.

1.6 Indemnification. Except when the action is by or in the right of the Association, the Association shall indemnify all of its present and former Directors, Committee Members, Officers, Employees, and the Agents ("Parties") to the maximum extent authorized by law, against all expenses reasonably incurred by them, including legal fees, judgments, and settlement for threatened or actual legal action if the party was acting on behalf of the Association at the time and acting in good faith and in a manner he believed to be in the best interest of the Association. If the action is a criminal action, the Association shall indemnify the parties if, in addition to the above requirements, the party had no reasonable cause to believe his conduct was unlawful. Indemnification of any such person shall be according to the procedures set forth in the Arizona Nonprofit Corporation Act.

1.7 Restrictions: Subjugation of These Bylaws. The Restrictions covering Lots 1-84, inclusive Sun Air Estates, Unit 1, in instrument recorded in Maricopa County Recorder's Office on June 21, 1972, in Docket 9515, pages 781-783, to which members individual deeds are subject, and the conditions and covenants contained in the Declaration of Horizontal Property Regime recorded July 19, 1972, in Docket 9570, pages 461-474, inclusive as amended to which the member's individual deeds are also subject, are hereby confirmed and made a part of these Bylaws, Rules and Regulations

1.8 (Formerly 3.9.7) The voting rights will be suspended if Member is past due sixty (60) days paying monthly assessments, six (6) months of unpaid late charges relating to late assessment payments, unpaid fines and unpaid legal fees. Those Members on a payment plan will be eligible to vote if current with their agreement. Included are landlords that fail to notify and properly register their current tenants with the Association and pay associated fees as allowed by ARS 33-1260.1. Cutoff date for the determination of voting status will be the last day of the preceding month in which the vote is being counted,

ARTICLE 2: MEETING OF MEMBERS

2.1 Annual Meeting. An annual meeting of the Members of the Association shall be held at least every twelve (12) months at such time and place as is determined by the Board.

2.2 Special Meetings. Special meetings of the Members may be called at any time by the Board or upon written request signed by Members having at least ten percent (10%) of the total authorized votes in the Association.

2.3 Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting by hand delivery or mailing a copy of each notice, postage prepaid, at least fifteen (15) days but no more than 50 days, before such meeting to each Member entitled to vote thereat addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting the purpose of the meeting. When a meeting is adjourned to another time or place, notice

need not be given of the adjourned meeting if the time and place of the meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Association may transact any business, which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days a notice of the adjourned meeting shall be given to each Member entitled to vote at the meeting. By attending a meeting, a Member waives any right they may have had to object to the meeting on the basis that the proper notice of the meeting was not given in accordance with these Bylaws or the Statutes of the State of Arizona.

2.4 Quorum. A quorum for the transaction of business at any annual or special meeting shall require forty percent (40%) of all owners to be present in person or by absentee ballot. A vote of sixty percent (60%) of those present in person or by absentee ballot shall constitute a legal majority for the transaction of business. If the aforesaid quorum is not satisfied, a subsequent meeting may be called by sending or delivering written notice to the members not less than 10 days (10) or more than thirty (30) days in advance of the subsequent meeting which notice shall set forth the same matters as were set forth in the notice for the prior meeting. At such meeting, a quorum for the transaction of business shall require twenty-five Percent (25%) of all owners to be present in person or by absentee ballot. No subsequent meeting shall be held more than thirty (30) days following the prior meeting. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. Any action that can be taken at a meeting of the member may be accomplished by a mail-in ballot in accordance with requirements of the Nonprofit Corporation Act, A.R.S. 10-3708, or as it may be amended hereafter,

2.5 Proxies. NOT ALLOWED PER A.R.S.33-1250

2.6 Minutes. Minutes of all Special and Annual meetings of Members shall be approved by the Board and sent to the owners within ten (10) days prior to the Special or Annual meeting of the members. The Secretary may record the meeting and will reuse the tapes: the tapes of the meetings will not be retained

ARTICLE 3: BOARD OF DIRECTORS

3.1 Number. The affairs of this Association shall be managed by a Board of seven (7) directors, elected by a majority vote of the Members present or by absentee ballot at the annual meeting. All directors must be Members of the Association and be in good standing as described in 3.9.7 of the By-Laws.

3.2 Term of Office. Directors shall be elected for a term of two (2) years. A Member may be elected to the Board for succeeding terms as voted by the Membership. Voting will be done in such a manner as to establish staggered terms whereby each new Board will have members of the previous Board. 2016 is to be the first staggered election. The four (4) people receiving the most votes will serve a two (2) year term, the next three (3) will serve a one (1) year term. Each year thereafter the election will fill only the vacancies for a two (2) year term.

3.3 Removal. At any annual or special meeting of the Members duly called on which a quorum is met, any one of the Board may be removed from the Board with cause by Members having more than sixty (60%) of the votes entitled to be cast by the Members present in person or by absentee ballot at the meeting and a successor may then and there be elected to fill the vacancy thereby created.

3.4 Compensation. No director shall receive compensation for any service they may render to the Association. However, any director may be reimbursed for their actual expenses incurred in the performance of their duties. Directors and/or their family members are prohibited from directly or indirectly benefiting from any action by the Board or contractors or any other hired personnel performing the duties for which they were given.

3.5 Action Taken without a Meeting. The directors shall have the right to take any action in the absence of a meeting when immediate action is necessary or required by obtaining the written or e-mail consent of a quorum of the Directors. Any such written consent shall be filed with the minutes of the next scheduled Board of Directors meeting. The Board may remove any director who misses three (3) Board meetings within a twelve-month period.

3.6 Vacancy on the Board. In the event of a vacancy on the Board of Directors, the remaining Members of the Board by a majority vote shall elect a Member of the Association to serve for the unexpired term of such vacancy. If there exist more than two (2) vacancies on the Board, a special meeting of the Members shall be called by the remaining Directors for the purpose of electing Members to fill such vacancies for the unexpired terms.

3.7 Meetings.

3.7.1 Meetings of the Board, regular or special, shall be held at least Bi-monthly and may be held by means of conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other and participation at such meeting shall constitute presence in person at the meeting

3.7.2 The Board of Directors shall give notice of regular board meetings no later 10 days preceding the date of the meeting. Notice may be given by hand delivery or mail, postage prepaid, to each Association member or by any other means determined by the Board of Directors.

3.7.3 Special meeting of the Board may be called by the President on three (3) business days' notice to each director, given in writing by hand-delivery or mail, which notice shall state the time, place and purpose of the meeting.. The President or Secretary shall call special meetings of the Board in like manner with like notice on the written request of at least two (2) directors. Notice of special meetings of the Board shall be given to the Members no later than ten (10) days preceding the meeting by hand delivery or by mail, postage prepaid, or by any other means as determined by the Board.

3.7.4 Attendance of a director at a meeting shall constitute a waiver of notice of such meeting except when a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

3.8 Quorum. A majority of the 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.

3.9 Powers and Duties. The Board shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by the Project Documents required to be exercised or done by the Members. In addition to the duties imposed by the Bylaws or by any resolution of the members that may hereafter be adopted, the Board shall the following powers and duties:

3.9.1 Open bank accounts on behalf of the Association and designate the signatories thereon:

3.9.2 Make or contract for the making of repairs, additions to, improvements to or alterations of the Common Area, in accordance with the Project Documents, after damage or destruction by fire or other casualties, or as a result of condemnation or eminent domain proceedings:

3.9.3 In the exercise of its discretion, file lawsuits on behalf of the Association. MEMBERS MUST BE NOTICED SUBSEQUENTLY In the event the lawsuit involves a member of the Association caution must be exercised to protect the privacy of the member.

3.9.4 Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair, replacement of the Common Area and provide service for the Members, and where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties:

3.9.5 Prepare and approve an annual budget for the following year. After Board approval, budget is to be submitted to the membership for approval. Any change in the monthly assessment must be submitted with the proposed new budget. Approval or rejection of both the budget and assessment increase must be indicated by a "Yes" or "No" vote.

3.9.6 Adopt and publish rules and regulations governing the use of the Common Area and facilities and personal conduct of the Members and their family members, guests, lessees and invitees thereon and establish penalties for the infraction thereof. Any change to the rules and all governing documents must first be approved by the Board of Directors then submitted to the membership for their approval or rejection by a "Yes" or "No" vote

3.9.8 Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by provisions of the Project Documents:

3.9.9 Employ, hire and dismiss such employees as they deem necessary and to prescribe their duties and their compensation:

3.9.10 Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement reflecting the action of the Board to the Members at the Annual Meeting in writing if so requested:

3.9.11 Supervise all officers, agents and employees of the Association and see that their duties are properly performed:

- 3.9.12 Levy, collect and enforce the payment of Monthly or Special Assessments or any other monies due;
- 3.9.13 Issue, or cause an appropriate officer to issue upon demand to any person, a certificate setting forth whether or not Assessments have been paid. The Board may make a reasonable charge for the issuance of these certificates. If a certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment;
- 3.9.14 Procure and maintain adequate property, liability and other insurance as required by the Declaration;
- 3.9.15 Cause all officers and employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- 3.9.16 Cause the Common area to be maintained, as more fully set forth in the Declaration;
- 3.9.17 The President shall have the authority to appoint such committees necessary to carry out the work of the Association.
- 3.9.18 The Board of Directors may not assign or transfer duties to another entity without the approval of 50% of the Association members eligible to vote.

ARTICLE 4: OFFICERS AND THEIR DUTIES

- 4.1 Enumeration of Officers. The principal officers of the Association shall be the President, the Vice-President, the Secretary, and the Treasurer, all of whom shall be elected by the Board.
- 4.2 Election of Officers the election of officers should take place at the last meeting of the retiring Board following each annual meeting of the Members.
- 4.3 The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless they shall sooner resign, or shall be removed, or otherwise disqualified to serve. The President, if re-elected to the Board, may succeed them self as President one (1) additional term: thereafter, if re-elected to the Board they may not succeed them self as President,
- 4.4 Special Appointments. The Board may elect such officers as the affairs of the Association may require each of whom shall hold office for such period, have the authority, and perform such duties as the Board may, from time to time, determine.
- 4.5 Resignation and Removal. The Board may remove any officer from office with or without cause. Any officer may resign at any time by giving written notice to the Board or to the President or the Secretary, Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein.

4.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the office he replaces.

4.7 Multiple Offices. Any two or more offices may be held simultaneously by the same person except the offices of President, Secretary and Treasurer.

4.8 Powers and Duties. The powers and duties of the officers shall be as follows:

4.8.1 President. The President shall be the chief executive officer of the Association: shall preside at all meetings of the Board or the Members: shall see that orders and resolution of the Board are carried into effect: and have general and active management of the business of the Association.

4.8.2 Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

4.8.3 Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members: keep appropriate current records showing the Members of the Association together with their addresses, keep the corporate seal of the Association and affix it on all papers requiring said seal, and shall perform such other duties as required by the board.

4.8.4 Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds for appropriate Association purposes as set forth in the Project Documents; keep proper books of accounting; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Board for approval and then to the membership at its regular annual meeting, and deliver a copy of each to the Members; have the books audited annually by July of each year at the discretion of the Board; and in general, perform all the duties incidental to the office of Treasurer.

4.8.5 The President, Vice-President, or Secretary may execute, certify and record Amendments to any or all Association governing document.

4.8.6 No officer may assign or transfer their duties to another person without the approval of the Board of Directors.

ARTICLE 5: ASSESSMENTS

5.1 Monthly Assessments. The Budget Committee, under the chairmanship of the Treasurer, and under the direction of the President, shall prepare an annual budget, to be approved by the Board. A copy of the proposed budget and proposed monthly assessment based on such budget shall be furnished to each member with the notice of an annual or special meeting. The acceptance of the proposed budget and monthly assessment shall require the affirmative vote of a majority of the Members present, in person or by absentee ballot at such meeting.

5.2 Special Assessments. The Board of Directors may make special assessments against all Members for the purpose of keeping the properties in adequate repair, providing funds are not available from the Reserve Fund set up for the maintenance and preservation of the Association Capital Assets. Any proposed special assessment requires the affirmative vote of a majority of the Members present, in person or by absentee ballot at a meeting called for such purpose. Any special assessment or a portion of any special assessment benefitting fewer than all the units shall be assessed exclusively against the units benefited. If an expense is caused by the unit owner, the association may assess that expense exclusively against that owner.

5.3 Major Capital Improvements. Any major capital improvements shall be authorized and approved by a majority of the Members present in person or by absentee ballot at an annual or special meeting and, if necessary, a special assessment will be made to cover the cost of such improvements.

5.4 Method of Operation. No Member of the Board is to receive any compensation whatsoever for any work he does or for any time he spends in connection with the management of Sun Air Estate, Unit 1. However, any Board member may be reimbursed for his actual expense incurred in the performance of his duties. No member of the Board shall have access to any funds deposited to the credit of the Association. Each Member shall pay his monthly assessment directly to the entity and address designated by the Board on or before the first day of each month and no later than the fifteenth (15) of the same month. The Association's accounting firm will deposit all monies received to the Association's general fund. The Association's accounting firm shall pay all bills, as approved by the Treasurer under the direction of the Board, and shall keep a record of all disbursements. Financial statements of the Association's accounts will be prepared by the accounting firm and forwarded to the Board on a monthly basis for approval and

distribution to the Members. All interest earned on the Capital Development fund shall be transferred to the operating fund and used for the benefit of all member to pay operating costs.

5.4.2 Reserve Fund: A minimum of ten percent (10%) of all scheduled monthly assessments shall be transferred to the Association Reserve account each month. Additional funds may be transferred from the operating account when available. Funds are to be used for the replacement and maintenance of the Associations capital assets.

5.5 Late Fees. In the event an owner fails to pay a monthly assessment, a special assessment, or a fine within thirty (30) days of the date that it is due, the owner may be charged a late fee of \$5.00 for the first thirty (30) days and \$10.00 for sixty (60) days.

5.6 Expenditures. Any expenditure over \$2500.00 must be approved by a majority vote of the Members, present in person or by absentee ballot at a meeting held for such purposes.

5.7 Resale of Unit: Each person who purchases or otherwise becomes the Owner of a unit shall pay to the Association, at close of the purchase escrow, a contribution to the Reserve Fund. The amount of the contribution shall be set by the Board of Directors. The Board thereafter may increase the amount of the contribution but the increase may not be increased by more than twenty (20%) during any twelve month period without the approval by more than fifty (50%) of the Associations member entitled to vote. No Reserve contribution shall be charged with respect to the transfer or conveyance of a unit by devise or intestate succession or transferred for the purpose of estate planning, or to a Corporation, partnership or other entity in with the grantor owns a majority interest, or be conveyance of the unit as result of foreclosure or forfeiture of the purchasers interest under a recorded contract for sale. All Reserve contributions shall be deposited in the Reserve Account established pursuant to these bylaws. Reserve contributions shall not be refundable and shall not be considered as an advance payment of assessments.

ARTICLE 6: CAPITAL DEVELOPMENT FEE

6.1 Immediately upon purchase each Owner shall pay to the Association a capital development fee equal to \$120.00. The Board shall keep such funds in an interest-bearing account and shall, upon sale of the property, return the \$120.00 to the seller less any amounts owed to the Association and without interest.

ARTICLE 7: AGE RESTRICTION


7.1 Each unit must be at all times, occupied by at least one person fifty-five (55) years of age or older. No person under the age of eighteen (18) shall be present on the property for more than ninety (90) days in any twelve (12) month period

7.2 Temporary use for underage occupancy. Continued occupancy in Sun Air Estates Unit 1, Inc. in the dwelling unit by an underage spouse, because of the death or long-term medical relocation of the spouse meeting the age requirement shall be exempt from this provision. This exception shall continue only so long as the remaining spouse maintains a sole occupant status. Upon change from a sole occupant status, the age requirements of the Unit 1 for occupancy shall be met. Otherwise, a temporary use permit for under age occupancy shall be required for occupancy for any underage person beyond the ninety (90) days permitted.

END OF DOCUMENT

CERTIFICATE OF AMENDMENT

As President of Sun Air Estates Unit 1, Inc. I hereby certify that these By-Laws have been approved in the manner required by these By-Laws and that these By-Laws supersede those recorded on November 1, 1999 in docket 99-1007052 for Sun Air Estates Unit 1, Inc.

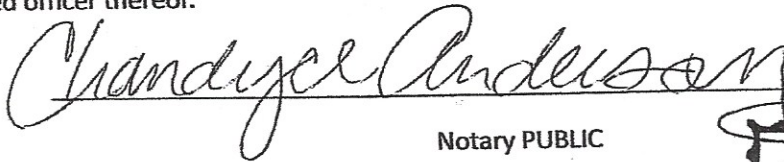
BY 
Ronald C Ford, President Sun Air Estates Unit 1, Inc.

STATE OF ARIZONA)

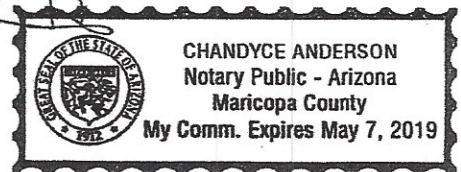
) SS

COUNTY OF MARICOPA)

On this 29th day of December, 2015, before me the undersigned notary public, in and for said county and state, personally appeared Ronald C Ford, the President of SUN AIR ESTATES UNIT 1, INC. an Arizona non-profit corporation, personally known (or proved) to me to be the person whose name is subscribed to the above instrument and who acknowledged that he executed the above instrument for and on behalf of the corporation, in his capacity as an authorized officer thereof.



Notary PUBLIC



My commission expires

May 7, 2019

OFFICIAL RECORDS OF
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AMENDMENT TO BY LAWS

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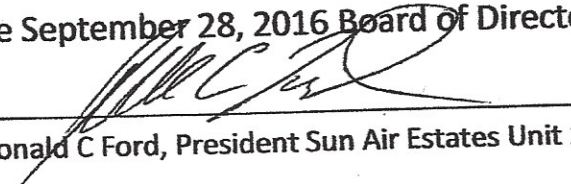
AMENDMENT
TO
BY LAWS OF
Sun Air Estates UNIT 1, INC.

Recorded as document number 20150914017 on 12-29-2015.

Article 4.3 is hereby amended to read as follows:

4.3 The officers of the Association shall be elected annually by the Board and each shall hold office for one year (1) unless they shall sooner resign or shall be removed, or otherwise disqualified to serve.

As President of Sun Air Estates Unit 1, Inc. I hereby certify that this amendment to the By-Laws has been approved in the manner required by these By-Laws and that such approval was recorded in the September 28, 2016 Board of Directors meeting minutes.

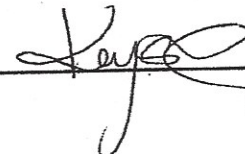
BY 
Ronald C Ford, President Sun Air Estates Unit 1, Inc.

STATE OF ARIZONA)

SS)

COUNTY OF MARICOPA)

On this 19th day of October, 2016 before me the undersigned notary public, in and for said county and state, personally appeared Ronald C Ford, the President of Sun Air Estates Unit 1, Inc. an Arizona non-profit corporation, personally known (or proved) to me to be the person whose name is subscribed to the above instrument and who acknowledged that he executed the above instrument for and on behalf of the corporation, in his capacity as an authorized officer thereof.


NOTARY PUBLIC

My commission expires:

6-28-2020

