

**AMENDED AND RESTATED BYLAWS
OF
SUNLAND VILAGE EAST ASSOCIATION**

**ARTICLE 1
PURPOSE AND DEFINITIONS**

- 1.1 The name of this Corporation, herein referred to as the Association, shall be the SUNLAND VILLAGE EAST ASSOCIATION.

The general office for the transaction of business of the Association shall be 2145 S. Farnsworth Drive, Mesa, Arizona 85209. This address may be changed by the Board of Directors to effectively carry out the business of this Association.

The Association fiscal year shall begin on January 1, and end on December 31, of each year unless the Board establishes a different fiscal year by resolution.

The purpose for which this Association is organized is the conducting of any and all lawful affairs for which corporations may be incorporated under the Arizona Revised Statutes as amended from time to time.

The Association shall conduct the affairs of and shall be and shall constitute the Homeowners Association in Sunland Village East (hereinafter SVE) and, as such, the Association shall make and collect assessments, enforce the Articles of Incorporation, the Amended and Restated Declaration of Restrictions, Covenants, Conditions and Reservations (hereinafter RCC&Rs), and maintain, operate and pay all of the expenses of or relating to the Association Facilities. The Association shall do and perform all acts and duties required by the Articles of Incorporation, the RCC&Rs and the Amended and Restated Bylaws for Sunland Village East Association, as amended from time to time.

Notwithstanding anything herein to the contrary, the Association shall be operated exclusively for nonprofit purposes and shall be operated to qualify as a Homeowners Association under the Internal Revenue Code (IRC) and all other applicable Federal, State and Local laws as amended from time to time.

The duration of this Association shall be perpetual.

1.2 Definitions:

1.2.1 "Assessment": An annual or special assessment levied by the Association pursuant to the Governing Documents.

1.2.2 "Association": Sunland Village East Association, an Arizona Nonprofit Corporation.

1.2.3 "Association Facilities" or "Association Property" or "Common Areas": The buildings, land, equipment and all property owned by the Association for the use and benefit of the Members.

1.2.4 "Association Office": The general business office of the Association

1.2.5 "Board": The Board of Directors of the Association

1.2.6 "Capital Project Fund": Money set aside in commingled accounts, for the purpose of New Capital

Expenditures, other than Buildings, as determined by the Board.

"Capital Reserve Replacement Fund": Money set aside for the purpose of effecting non-annual repair, improvement or replacement of Association Facilities.

"SVE Community Improvement Fund": Money set aside in commingled accounts, but designated for Specific Purposes and recorded separately as having been received from voluntary contributions, donations and memorials, only to be used in SVE for remodeling, building, major equipment or other purposes as specified by individual donors or, in the absence of such specification, as determined by the Board.

"SVE New Building Fund": Money set aside in commingled accounts, but designated for a Specific Purpose and recorded separately as having been received from transfer fees only to be used in SVE for new buildings as determined by the Board.

- 1.2.7 "Committees": Members appointed by the Board to perform a specific task or tasks for the Association.
- 1.2.8 "Directors": Members of the Board.
- 1.2.9 "Domicile": A person's true, fixed and permanent home and place of habitation to which, when the person is absent, the person intends to return.
- 1.2.10 "Fee(s)": A fixed charge payable pursuant to the Governing Documents for various activities of the Association or for the use of certain Association Facilities as established by the Board.
- 1.2.11 "Governing Documents": The Association's Articles of Incorporation, RCC&Rs, these Bylaws and the rules and regulations of the Association, as amended or supplemented from time to time.
- 1.2.12 "Guest": A person who occupies a Residence for less than thirty (30) days in any calendar year or temporarily visits a Member, Non-Member Occupant or Renter occupying the Residence.
- 1.2.13 "Long Term Debt": Debt incurred for which scheduled repayment exceeds one (1) year.
- 1.2.14 "Lot": A parcel of land designated as a lot on a recorded subdivision plat, or any amendment or supplement thereto, covering all or any part of Sunland Village East *as* fully described in the RCC&Rs in Article 1.
- 1.2.15 "Majority of Members": Members casting more than fifty percent (50%) of the votes with respect to any matter submitted to a vote of the Members.
- 1.2.16 "Manager": The person or entity employed by the Board to manage and administer the operation of the Association and to carry out the policies and directives of the Board.
- 1.2.17 "Member": An Owner of record of a unit who shall have the right to vote upon Association matters and for the election of the Board.
- 1.2.18 "Member in Good Standing": A Member whose voting rights have not been suspended.
- 1.2.19 "Non-Member Occupant": A person who occupies a Residential Unit for more than thirty (30) days in any calendar year but who is not a Member of the Association.

- 1.2.20 "Occupant": Any person actually residing in or occupying any Residential Unit in Sunland Village East regardless of the length or duration of the occupancy. Such term includes, without limitation, servants and house guests.
- 1.2.21 "Owner": The record Owner, whether one or more persons or entities of fee simple title, to a Lot or Condominium.
- 1.2.22 "Person": A natural person, corporation, business trust, Estate trust, partnership, association, joint venture, Limited Liability Company or other legal entity.
- 1.2.23 "Petition": A formal written document requesting a right, benefit or action signed by voting Members of the Association, submitted to the Board
- 1.2.24 "Quorum": The minimum number of Association Members or a majority of the Board who must be present at any Association meeting for the valid transaction of Association business.
- 1.2.25 "Renter": A person who occupies a Residence during a period of time when the Owner of the Residence is not also occupying the Residence whether or not such person is occupying the Residence under an oral or written lease and whether or not such person is paying any rent or other compensation to the Owner.
- 1.2.26 "Resident": An individual, who has actual physical presence in Sunland Village East, combined with intent to remain.
- 1.2.27 "Resident Owner": An Owner, as defined in Section 1.2.21, who is residing in Sunland Village East, through his or her actual physical presence, and who intends to remain in Sunland Village East.
- 1.2.28 "Residential Unit": A house, a unit within a condominium, or any other dwelling unit; a Residence.
- 1.2.29 "RCC&Rs": Sixth Amended and Restated Declaration of Restrictions, Covenants, Conditions and Reservations for Sunland Village East recorded with the County Recorder of Maricopa County, Arizona; as such declarations may be amended from
- 1.2.30 "Transfer Fee": The monetary fee paid to the Association for record investigation and account changes at the closing of a transfer of a Residential Unit.

ARTICLE 2 GOVERNANCE STRUCTURE

- 2.1 **General:**
- 2.1.1 The affairs of the Association shall be governed by a Board and administered by a Manager. The Board shall be the policy making and decision making body of the Association. The Manager, under the direction and supervision of the Board, shall be responsible for carrying out the policies and

directives of the Board.

2.2 **Board of Directors:**

2.2.1 The Board of Directors shall be composed of seven (7) Resident Owners in Good Standing and elected by the Membership or appointed by the Board in accordance with the provisions of these Bylaws. The purpose, duties, functions, responsibilities and limitations of the Board shall be as provided in these Bylaws, as amended from time to time.

2.3 **Manager:**

2.3.1 Responsibility for management and administration of the Association shall be vested in a Manager, who may either be an individual, a person or an entity. The Manager shall be employed by and serve at the pleasure of the Board.

**ARTICLE 3
USE OF ASSOCIATION FACILITIES**

3.1 **Persons Entitled to Use Association Facilities:**

3.1.1 Upon payment of such fees and under such conditions as may be established from time to time by the Board, the following shall have the right to use the Association Facilities:

(a) Members;

(b) House guests of Members;

(c) Non-Member Occupants of a Residence owned by one or more Members;

(d) Any Renter, whose use has been delegated by the Member through written notice filed with the Association Office. Notice shall contain name(s), age(s), duration of lease and address to contact the Owner. During the time period of such delegation, a Member shall not be entitled to use the Facilities until written revocation of such delegation has been filed with the Association Office;

(e) Non-resident individuals participating in Association approved leagues, meets, games and tournaments. Prior to participation, non-resident individuals shall sign a waiver of liability, to be filed with the Association Office. Responsibility for having the waivers signed shall be the duty of the sponsoring club or activity.

3.2 **Suspension of Right to Use Community Facilities:**

3.2.1 If a Member fails to pay Assessments or other amounts due to the Association under the Governing Documents within ten (10) days after such payment is due, the Board, without notice or hearing, shall have the right to suspend the right of the Member and of all Non-Member Occupants and Renters of the Member's Residence to use the Association Facilities until such time as all delinquent Assessments and other amounts due to the Association are paid in full.

3.2.2 If a Member, Non-Member Occupant, Renter or Guest violates or fails to comply with any of the provisions of the Governing Documents, other than the provision requiring the payment of

Assessments or other amounts to the Association, the Board shall have the authority to suspend such person's rights to use the Association Facilities after such person is given notice of the nature of the violation and an opportunity to be heard with respect to the violation. Any such hearing shall be conducted in accordance with such procedures as may be adopted from time to time by the Board

3.3 **Policies, Regulations and Rules:**

3.3.1 The rights of Members, Non-Member Occupants, Guests and Renters to use the Association Facilities shall be subject to such policies, regulations and rules as may be adopted from time to time by the Board.

**ARTICLE 4
ASSESSMENTS AND OTHER CHARGES**

4.1 **Annual Assessment:**

4.1.1 All assessments described and defined in the RCC&Rs, Article 10, Sections 10.1 through 10.13, shall be paid to the Association at its office

4.1.2 The Board shall establish and maintain a fully funded Capital Reserve Replacement Fund. The yearly amount deposited to the Capital Reserve Replacement Fund will be based on the Reserve Study findings. The Reserve Study will be updated at least every three years.

4.2 **Special Assessment:**

4.2.1 Regular, special and extra occupancy assessments shall be made from time to time in accordance with the RCC&Rs.

4.3 **Transfer Fee**

4.3.1 Each new Owner who purchases a Residential Unit from a Person other than the Developer shall pay to the Association a transfer fee in such amount as is established from time to time by the Board.

**ARTICLE 5
MEETINGS OF MEMBERS**

5.1 **Meeting of Members:**

5.1.1 All meetings of the Association and Board of Directors shall be open to all Members of the Association. Association Members, who are not Board members, may participate in any deliberations or discussions as authorized by a majority of a quorum of the Board and as provided by ARS Section 33-1804, part of the Planned Community statute.

5.2 **Annual Meeting:**

5.2.1 The Annual Meeting of the Members of the Association shall be held on the third Wednesday of

January each year. If that day is a legal holiday, the Annual Meeting shall be held the next day.

- 5.2.2 The agenda for the Annual Meeting shall be established by the Board but additional discussion items may be added to the agenda by a Petition signed by Members in Good Standing representing thirty per cent (30%) of the vote cast by Members in the last election for the Board, provided such Petition is submitted to the Board not less than ten (to) days prior to the date of the Annual Meeting.

5.3 **Annual Budget Meeting**

- 5.3.1 A Budget Meeting open to the Members shall be held annually between October 15 and November 30 for the purpose of reviewing and discussing with the Members the budget for the next calendar year. Written requests relating to amounts requested for inclusion in the budget on behalf of facilities, amenities, clubs and organizations shall be submitted to the Board by October 1.
- 5.3.2 Copies of the proposed budget for the next calendar year shall be available to the Members at the Association Office at least ten (to) days prior to the annual Budget Meeting.
- 5.3.3 Every club and organization which uses Association Facilities shall keep an annual record of income and expenditures. Only those clubs and organizations which are so designated by the Board shall report such accounting to the Board and the Manager in a timely fashion as determined by the Board. These accounts are required to maintain SVE Association records for possible IRS filings.

5.4 **Special Meetings:**

- 5.4.1 Special meetings of the Members may be called at any time by the President, the Board or upon written request signed by Members in Good Standing representing ten per cent (10%) of the total in the Association. Notice of any special meeting shall specify the purpose of the meeting. Any matter not set forth in such notice shall not be considered. A meeting requested by the Members shall be called within thirty (30) days of receipt of the request.

5.5 **Notice of Meetings:**

- 5.5.1 Notice of Board, Budget, Annual or Special Meetings shall be given at least ten (10) days prior to the meeting by either:
- (1) posting a copy thereof on the official Association bulletin board,
 - (2) mailing a copy thereof to each occupied residential unit, or
 - (3) causing a copy of the notice to be inserted in a newspaper available to the Members.

Any notice pertaining to the Annual Meeting shall state the names of all candidates for the office of Director and the time and place of the election.

- 5.5.2 Any objection to notice of or action taken at any meeting shall be deemed waived unless such objection is made at the meeting, by the person objecting; provided, however, a Member not in attendance may raise an objection, in writing, submitted to the President or Secretary within ten (10) days following the meeting.

5.6 **Quorum:**

- 5.6.1 Unless the provisions of Article 7.4.2 apply, ten (10) per cent of absentee ballots properly returned shall constitute a quorum. The affirmative vote of a majority of a quorum shall be sufficient to take any lawful action unless a larger affirmative vote is required by law, the Articles, RCC&Rs, or Bylaws.

5.7 **Rules of Order:**

5.7.1 All meetings shall be conducted in accordance with Rules of Procedures adopted by the Board with reliance on Robert's Rules of Order for guidance on those items not specifically addressed in the Rules of Procedures.

**ARTICLE 6
VOTING**

6.1 Voting Rights

6.1.1 There shall be two (2) votes (ballots) associated with each Residential Unit.

6.1.2 In the election of Directors, each voting Member may cast as many votes as there are Directors then being elected; however, only one vote may be cast for anyone candidate. Cumulative voting shall not be allowed. Proxy voting shall not be allowed. All votes must be cast by absentee ballot. Ballots shall be sent out in December to an address within SVE unless Members, in writing, in a timely manner, stipulate a different address. Any ballot received after 4:00 PM on the date of the Annual Meeting shall not be counted. Ballots shall be returned by mail to, or delivered in person to a proper representative of the Election Committee at, a place designated to receive the ballots. In person voting shall not be allowed.

6.1.3 <VACATED>

6.1.4 Memberships in the Association shall be divided into Class A, Class B, Class C and Class O.

6.1.5 A Class A Member shall be a Resident and therefore entitled to use of the Association Facilities and shall have one vote on each issue that is to be voted upon by the Association and one vote with respect to each Director being elected.

6.1.6 A Class B Member shall be a Resident and therefore entitled to use of the Association Facilities but shall not have voting rights

6.1.7 A Class C Member shall be a person at least eighteen years of age who is living with his or her parent(s) and meets all of the qualifications to be a Resident other than the age requirement. A Class C Member shall be entitled to use the Association Facilities and shall not have voting rights.

6.1.8 A Class 0 Member shall be an owner entitled to vote with respect to the Class 0 membership on each issue that is voted upon by the voting members of the Association and with respect to each director being elected. A Class 0 Member as such shall have no right to use the Association Facilities. The number of votes any Class 0 Member is eligible to cast, as a Class 0 Member, at anyone time shall be the sum of all votes shown for that person as a Class 0 Member on all up-to-date ownership certificates then on file with the Association.

6.1.9 Only Class A and Class 0 Members shall have voting rights and notices of Membership meetings shall be required to be given only to them.

6.2 Nominating \ Election Committees and Voting Procedure for Board of Directors

- 6.2.1 A Nominating Committee consisting of three (3) to five (5) voting Members shall be selected and appointed by the Board of Directors, on or before the second Wednesday of each October. No member of the Nominating Committee shall be a current member of the Board, a candidate for the Board or a family member thereof. The Nominating Committee shall elect one of its members as chairperson. The Committee shall meet at such times and places as determined by its chairperson.
- 6.2.2 On or before November 15, the Nominating Committee shall select and submit to the Secretary, in writing, the names and addresses of candidates who are eligible and willing to serve as Directors. The Secretary shall promptly post a list of candidates on the official Association bulletin board.
- 6.2.3 Any other Person who is eligible and willing to be elected may be nominated as a candidate by a Petition, signed by fifty (50) Members in Good Standing. The petition must be delivered to the Secretary on or before December 1.
- 6.2.4 The ballots for the election for Directors shall be tabulated and the results posted within five (5) days following the Annual Meeting of Members in January each year.
- 6.2.5 The voting process shall be by secret ballot and supervised by an Election Committee, composed of not less than three (3) nor more than five (5) Members in Good Standing, who shall be selected and appointed by the Board. No member of the Election Committee shall be a member of the current Board or candidate for the Board or a family member thereof. The members of the Committee shall select a chairperson. The Election Committee shall establish the procedure for validation and tabulation of the ballots.
- 6.2.6 The Election Committee shall determine the place designated for return mail and in person delivery of the ballots. The Election Committee will verify the eligibility of each voting Member by name and address. After the ballot is received, the ballot will be deposited in a locked ballot box.
- 6.2.7 Upon receipt of the ballots, the Election Committee shall retain all ballots, as received, until tabulated. Ballots shall be validated and tabulated within five (5) days following the Annual Meeting.
- 6.2.8 The ballot box shall remain sealed until officially opened for tabulation by the Election Committee. When all ballots have been counted and recorded, the absentee ballots and supporting documents shall be placed in the ballot box and the box resealed. It shall remain sealed in the custody of the Manager for no less than thirty (30) days. After thirty (30) days, if no protest of the vote or request for recount has been filed, the ballot box shall be opened and the voting materials destroyed by the Manager and the Election Committee.
- 6.2.9 The results of the election indicating the total number of ballots cast shall be posted on the official Association bulletin board and such other places as may be convenient to the Members, no more than five (5) days after the Annual Meeting.
- 6.2.10 Any protest or request for recount shall be in writing and filed with the Election Committee within seventy-two (72) hours after the results of the election have been posted. The ballot box shall remain sealed until opened for resolution by the Election Committee. Only one recount shall be conducted with respect to each election regardless of the number of requests filed with the Election Committee.

- 6.2.11 Once a Member has voted, that vote cannot be changed.
- 6.2.12 Candidates for the Board shall be elected by plurality. The candidate(s) receiving the highest number of votes shall be elected.

6.3 **Voting Procedure for All Other Association Business:**

- 6.3.1 For all matters other than the election of Directors that are submitted to a vote of the Members, the Members shall vote by absentee ballot after a special election meeting.
- 6.3.2 Special meetings for the purpose of voting on specific matter(s) will be divided into two sessions. The first part shall be a meeting called for the purpose of informing the Membership on the subject(s) to be voted upon. All Members wishing to be heard shall have the opportunity to do so during this open meeting. In the second part, after a period often (10) days, which will allow adequate time for the Membership to understand the issue(s), the ballots shall be, in a process not inconsistent with the provisions of Articles 6.1 and 6.2, sent out and returned within twenty (20) days. Advocacy notice(s) shall not be included with the ballot in the envelope to be mailed. Ballots shall be tabulated and the results appropriately posted as quickly as possible by an Election Committee formed for this purpose. A majority of the votes cast shall prevail provided a quorum has been attained.

6.3.3 There shall be two (2) votes (ballots) associated with each Residential Unit.

6.3.4 <VACATED>

6.4 <VACATED>

6.4.1 <VACATED>

ARTICLE 7 BOARD OF DIRECTORS

7.1 **Number:**

7.1.1 The affairs of the Association shall be managed and administered by the Board. The Board shall be composed of seven (7) Resident Owners in Good Standing who have staggered terms of office. All Directors shall be elected for a term of two (2) years with no succession unless otherwise determined by the Board to re-create staggered terms. The procedure for determining which elected Director shall serve the one-year term or two-year term shall be established by the Board prior to the election. A Director may serve no more than two terms consecutively. Any such time served by an appointed Director to fill out a vacancy shall not preclude that person from serving two (2), full, consecutive, elected terms on the Board. After serving for two (2) consecutive terms, a Director cannot serve on the Board of Directors for a period of one (1) full year. After one (1) year, the person may again serve on the Board of Directors, whether by appointment or election.

7.2 **Qualification and Election Process:**

7.2.1 To qualify as a candidate for election as a Director on the Board, an individual shall be a Member in Good Standing and have been a Resident for at least one (1) year, occupy a Domicile in Sunland Village East for at least six (6) consecutive months in a calendar year, declare reasonable availability on a year-round basis for participation in the business affairs of the Association and be willing to serve in any capacity to which the Board may appoint the new Director.

7.2.2 The procedure for election of candidates to the Board shall conform to the procedure stated in Section 6.2 of these Bylaws. The candidate or candidates receiving the highest number of affirmative votes shall be elected to fill the vacancies on the Board.

7.2.3 If a candidate withdraws, in writing, to the Election Committee prior to the Election Day, any vote cast for that candidate shall be null and void.

7.3 **Meetings:**

7.3.1 At any meeting of the Board, a majority of the Directors shall constitute a quorum required to conduct all business of the Association. The meeting shall be conducted in accordance with Rules of Procedures adopted by the Board with reliance on Robert's Rules of Order for guidance on those items not specifically addressed in the Rules of Procedures and in accordance with the intent and purpose of applicable Local, State and Federal laws.

- 7.3.2 Regular meetings of the Board shall be held monthly. Notice of the place, time, date and agenda shall be posted on the official Association bulletin board not less than five (5) days prior to the meeting. It is recommended that regular Board meetings will be routinely scheduled at the same time and place each month.
- 7.3.3 The President or any two (2) Directors may call a special meeting of the Board. Personal notice of the meeting shall be provided to each Director not less than forty-eight (48) hours prior to the meeting unless waived by a majority of the Directors
- 7.3.4 For any regular or special meeting of the Board, the agenda, together with copies of any documentation pertaining to agenda items, shall be provided to each Director at least forty-eight (48) hours prior to the scheduled meeting.
- 7.3.5 Members of the Board may meet informally with management or other Directors and/or committee members to remain abreast of day-to-day operational activities. Such a meeting shall not constitute an official meeting of the Board. Meetings of the Board shall be open to the Members of the Association, except that the Board may close a meeting of the Board to the Members to the extent permitted by Local, State and Federal laws.

7.4 **Removal from the Board**

- 7.4.1 Any Director may be removed from the Board by a resolution adopted by a two-thirds majority vote of the entire Board, after notice and an opportunity to be heard if, in good faith, the resolution recites good cause. Notice of the proposed resolution shall be given to the Director in the same manner as notice of a special meeting of the Board.
- 7.4.2 Members of the Association may seek to have a Director removed from the Board by presenting to the Board a Petition signed by Members in Good Standing comprising at least ten (10) per cent of the membership. Upon receipt of such a Petition, the Board shall call and provide written notice of a special meeting to be held within ten (10) days, for the purpose of conducting an open hearing upon the request for removal. After the hearing, a special election, by absentee ballot, shall be conducted in a manner not unlike that outlined for Board of Directors voting in Articles 6.1 and 6.2. Ballots shall be returned within twenty (20) days and counted as quickly as possible thereafter. A quorum sufficient to constitute a viable election will require ballots returned from the Owners to whom at least twenty (20) percent of the votes are allocated The majority vote of Members in Good Standing shall prevail.

7.5 **Vacancies:**

- 7.5.1 In case of a vacancy on the Board, the remaining Directors shall, within sixty (60) days, appoint a Director to fill that vacancy until the next election of Directors.
- 7.5.2 Any vacancy occurring on the Board may be filled by the affirmative vote of a majority of remaining Directors though less than a quorum or by a sole remaining Director. Any Director so chosen shall hold office until the next election of the Directors when a successor is elected. If by reason of death, resignation or otherwise, the Association has no Directors in office, any Member may call a special meeting of the Members for the purpose of electing a Board

ARTICLE 8
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

8.1 General Powers of the Board:

8.1.1 The Board shall act as the principal rules and decision making body and shall establish such policies as it deems proper and expedient in conformance with the Governing Documents and all applicable Local, State and Federal laws, as the same may be amended from time to time. Such policies shall promote the objectives of the Association and shall protect the best interest and welfare of the Members. The Board shall have all of the powers and duties necessary for the administration of the affairs of the Association, including, but not limited to, the following:

- (a) hold and administer the assets of and provide supervision of the administration of the Association;
- (b) establish operating policies, make reasonable rules and regulations within the authority as outlined in the Governing Documents and publish the same, establish penalties, including, but not limited to, fines, probation and suspension of Membership privileges for the infraction thereof. Additions to *or* changes in policies, rules and regulations shall be conspicuously posted on the official Association bulletin board. A copy of all Association policies, regulations and rules shall be available for inspection by Members at the Association Office. Copies may be purchased *for* a fee;
- (c) employ a Manager *or* management firm. The Manager may be a natural person, a corporation, partnership or other entity and may be either an employee of the Association *or* an independent contractor. The principal purpose and function of the Manager shall be to implement the policies of the Association as established by the Board and to otherwise manage and administer the operations of the Association. The Manager shall *report* to the Board;
- (d) levy annual and special assessments in accordance with the provisions of Article 4 of the Bylaws;
- (e) *perfect* and foreclose a lien against any property *for* which annual and/or special assessments are not paid, or to bring an action at law against the Member personally obligated to pay the same;
- (f) establish fees to be collected from Members, Non-Member Occupants, *Renters* and Guests for the use of the Association Facilities;
- (g) pay any taxes and assessments which are, or could become, a lien on the Association Facilities or any portion thereof;
- (h) ensure that goods and/or services for the grounds, facilities and interests of the Association are provided for and maintained in a timely and professional manner;
- (i) elect officers of the Association;
- (j) delegate responsibilities to committees appointed by the Board;
- (k) fill vacancies on the Board as provided in Section 7.5 of these Bylaws;
- (l) establish and maintain the Capital Reserve Replacement Fund, the Capital Project Fund, the SVE Community Improvement Fund, and the SVE New Building Fund; and

(m) exercise such other powers as may be granted to the Board by the Governing Documents as defined in 1.2.11 herein.

8.2 **Duties of the Board of Directors:**

8.2.1 A Director must act in good faith and with the care that a reasonably prudent person in a like position would exercise under similar circumstances and in a manner the Director reasonably believes to be in the best interests of the Association. It shall be the duties of the Board to:

(a) elect from within the Board membership, persons to serve as President, Vice President, Secretary and Treasurer;

(b) maintain all Association Facilities;

(c) oversee the supervision, through the Manager, of all agents and employees of the Association, and see that their duties are properly performed;

(d) assure that property, business and liability insurance is maintained on property owned by the Association. Liability insurance shall be provided for the Board Members, Association employees and Board appointed committee members while engaged on Association business;

(e) establish and approve the annual budget by a majority vote of the Board;

(f) see that a summary of the budget for each calendar year is available in the Association Office and posted on the official Association bulletin board not less than fifteen (15) days before the beginning of the calendar year. Copies may be purchased for a fee;

(g) see that an annual independent audited financial report is prepared within one hundred eighty (180) days after the close of the fiscal year covering, but not limited to:

1) A balance sheet as of the end of the fiscal year,

2) An operating (income) statement for the fiscal year,

3) A consolidated statement of cash flow for the fiscal year, and

4) A statement of the status of the Capital Reserve Replacement Fund, the Capital Project Fund, the SVE Community Improvement Fund, and the SVE New Building Fund;

Copies of the annual audit may be purchased for a fee;

(h) maintain an open line of communication with the Members; and

(i) all contact with legal counsel by the President or his/her designee shall be in writing, with a written response requested, and copies of each provided all Board Members.

8.3 **Limitations of Authority of the Board of Directors:**

8.3.1 The Board shall be prohibited from taking any of the following actions without the affirmative vote of a majority of the Members of the Association following a special meeting called for the specific purpose of giving the Board permission to take the action proposed:

(a) incur a long term debt, on behalf of the Association, in excess of one hundred thousand dollars (\$100,000.00);

(b) sell or acquire real property, except when exercising a lien on a delinquent account or other charges;

(c) expend funds for capital expansion or additions to facilities in excess of one hundred thousand dollars (\$100,000) for anyone project or in excess of two hundred thousand dollars (\$200,000) in a calendar year; however, these expenditure limits shall not apply to the funds designated and recorded for the SVE Community Improvement Fund;

(d) enter into any contract without a thirty (30) day cancellation clause.

8.4 **Indemnification of Directors of the Association:**

8.4.1 To the extent that it has the power to do so under the Arizona Nonprofit Corporation Act, as it may be amended from time to time, the Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Association, by reason of the fact that such person is or Was a Director or Officer of the Association against expenses, including attorneys' fees, and against judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted, or failed to act, in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal J action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Indemnification of any such person shall be made in accordance with the procedures set forth in the Arizona Nonprofit Corporation Act, as it may be amended from time to time.

8.5 **Committees and Task Forces:**

8.5.1 The Board may appoint and/or dissolve such other committees as the Board deems appropriate for the administration and operation of the Association. All committees shall report to the Board and shall serve at the pleasure of the Board.

8.6 **Architectural Control Committee:**

8.6.1 An Architectural Control committee (ACC) shall be established by the Board to ensure compliance with the RCC&Rs and architectural guidelines established by the Board. The committee shall consist of five (5) to nine (9) members as follows: (a) two Board Members who shall serve as co-chairpersons and (b) up to seven (7) voting Members of the Association.

8.6.2 Any proposed exterior changes (architectural or landscaping) to any Residential Unit defined in Article 1 of these Bylaws following the original closing shall be submitted to the committee for approval. The committee will ensure compliance with the RCC&Rs (the Use Restrictions stated in Article 4) and enforce architectural guidelines established by the ACC, and approved by the Board, which guidelines may be amended from time to time.

8.6.3 Requests for approval shall be submitted to the committee through the Association Office using the approved Architectural Change Request Form (ACRF) which may be amended from time to time.

8.6.4 The ACRF, when properly completed, may be hand delivered or mailed to the Association Office and

upon receipt, the office shall immediately stamp thereon the date received. In the event an ACC request is not covered by RCC&Rs, Bylaws or rules and regulations, the Architectural committee with a majority decision by the Board may make an enforceable decision regarding acceptance or rejection. The request shall remain permanently on file.

- 8.6.5 Within thirty (30) days of receipt, the ACC shall approve, disapprove, or state conditions for further review and notify applicant, in writing, of the committee's decision. Failure to approve or disapprove any request within the prescribed time limit constitutes disapproval.

ARTICLE 9 OFFICERS

9.1 General:

- 9.1.1 The Officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected from, and be a member of the Board. Newly elected Directors shall take office, and their terms become effective, at the first scheduled meeting following the annual election. At that meeting, the new Board shall first elect from among its members the Officers to serve for the year or until their successors are elected. Officers are not prohibited from succeeding themselves in office. Said Officers and Directors shall serve without pay but may be reimbursed for actual expenses incurred upon presentation of an itemized statement.

9.2 President:

- 9.2.1 In accordance with any and all Governing Documents, rules and regulations and policies of the Association, all duly adopted by the Board, together with all applicable Local, State and Federal laws, the President shall:
- (a) preside at and conduct all meetings of the Board;
 - (b) be responsible for the general supervision over the direct affairs of the Association;
 - (c) execute, on behalf of the Association, any and all documents;
 - (d) as a Director, he/she may vote on all issues that come before the Board, at his/her discretion.

9.3 Vice President:

- 9.3.1 The Vice President shall have such powers and duties as the President or as the Board may, from time to time, prescribe. At the request of the President, or in the case of the President's absence or inability to act, the Vice President shall perform the duties of the President and when so acting, shall have all the powers of, and be subject to, all the restrictions upon the President.

9.4 Secretary

- 9.4.1 The Secretary shall be responsible for maintaining a record of all proceedings of the meetings of the

Board and the proceedings of all Association meetings. Such records of these meetings shall be kept in separate books. The Secretary shall assure that all notices of meetings are duly given in accordance with the provisions of these Bylaws or as required by law.

9.5 **Treasurer:**

9.5.1 The Treasurer shall have responsibility for supervision of all funds and securities of the Association including, but not limited to, official records, documents, ledgers and accounts involving the financial business of the Association. All records referred to herein shall be kept and maintained at the office of the Association. The Treasurer shall keep financial statements as required and perform such other duties as ordinarily pertain to that office.

9.5.2 The Director and Treasurer shall see that all Association funds are deposited on behalf of the Association in recognized bank or banks, savings and loan associations or other financial organizations insured by the FDIC or SJPC. Association Funds may be invested in US Government obligations: Treasury Bills, Notes or Government Agency obligations rated "A" or better; State or County Municipal Bonds rated "A" or better; insured money market deposit accounts, insured bank certificates of deposit; and short-duration commercial paper rated "A" or better.

9.5.3 All checks in excess of \$500.00 shall require two (2) signatures: the Treasurer and/or other signatories as designated by the Board

9.6 **Bonding:**

9.6.1 All Officers, Directors and Association office employees shall be bonded or be covered by fidelity insurance coverage in a sum sufficient to protect the Association from loss.

9.7 **Removal:**

9.7.1 Any Officer may be removed from office by the majority vote of the Board at any regular or special meeting called for that purpose, whenever in the Board's judgment, the best interest of the Association will be served by the removal. The Officer in question shall be entitled to at least three (3) days notice, in writing, of the meeting and shall be entitled to appear at that meeting and be heard. The removal of an Officer shall not work to remove her/him as a member of the Board, unless also removed in accordance with Section 7.4 of these Bylaws.

9.8 **Vacancies:**

9.8.1 In case any office becomes vacant by death, resignation, disqualification or any other cause, the majority of the remaining Directors may select a member of the Board to fill such vacancy.

**ARTICLE 10
GENERAL**

10.1. **Amendment:**

10.1.1 Amendments to these Bylaws may be adopted by a majority vote of the Board after the amendments are read at two consecutive Board Meetings. A Petition signed by one hundred (100) Members in Good Standing may propose amendments to the Board, stating the section and paragraph, proposed new section and paragraph or language and the reason for the proposed change; these Bylaws may be revoked or amended at any regular meeting of the Board of Directors by a two-thirds vote of the Board of Directors, provided the proposed amendments were submitted in writing and read at the previous regular Board meeting.

10.1.2 These Bylaws and any amendments thereto shall be dilly recorded in the official records of the Maricopa County Recorder.

10.2 **Conflict:**

10.2.1 In the event of a conflict between the Governing Documents, the order of priority for consideration shall be the RCC&Rs, the Articles of Incorporation, and these Bylaws.

10.3 **Nepotism:**

10.3.1 No person related to a Director or the Association Manager shall become an employee of, nor contract with, the Association. No Director or family member shall serve concurrently on any other SVE Association Board.

10.4 **Inspection of Association Records:**

10.4.1 Any Association Member is entitled to inspect and copy any of the records of the Association, subject to the restrictions imposed and by following the provisions set forth and defined in the Arizona Nonprofit Corporation Act and . ARS Section 33-1805, part of the Planned Community statute.

This is to certify that the foregoing are the Bylaws of Sunland Village East Association , an Arizona Nonprofit Corporation as adopted by the Board of Directors on the 8th day of the month of June, 2006l

Dated and signed this 16th day of the month of June , 2006

_____/ss/_____

_____/ss/_____

JAN WELKER, President BOD, SVE Assoc

LAURA PAULSON, Secretary, BOD, SVE Assoc

This instrument was recorded at the
Request of:

SUNLAND VILLAGE EAST
2145 SOUTH FARNSWORTH DRIVE
MESA, AZ 85209

The recording official is directed to return
This instrument or a copy to the above person

CAPTION HEADING:

CHANGE OF BYLAW ARTICLE 6
SECTION 6.3.1
SECTION 6.3.2

DO NOT REMOVE

This is part of the official document