

**RESTATED BYLAWS FOR
SUNRISE VALLEY TOWNHOMES HOMEOWNERS ASSOCIATION
An Arizona Nonprofit Corporation**

**ARTICLE I
GENERAL**

1.1 Purpose. These are the Restated Bylaws for Sunrise Valley Townhomes Homeowners Association, as required by the Declaration of Conditions, Covenants and Restrictions (hereinafter referred to as the Declaration) of the Association, as approved by the Owners of the Association.

1.2 Terms and Conditions. All of the terms and conditions set forth in the Declaration apply without exception to these Bylaws, which are part of the Governing Documents for the Association, having the same force and effect as the Declaration.

1.3 Conflicts in Governing Documents. If a conflict occurs between a provision of these Bylaws and the Declaration, the provision in the Declaration will govern. If there is a conflict between the Articles of Incorporation and the Bylaws, the Articles will prevail. If there is a conflict between the Bylaws and the Rules of the Association, the provision in the Bylaws will govern.

**ARTICLE II
MEETINGS AND VOTING**

2.1 Annual Meeting. The annual meeting of the Members will be held in January of each year at a date and time established by the Board.

2.2 Special Meetings. Special meetings of the Members may be called at any time by the Board, or upon the written request of 33% of the Owners.

2.3 Mail-in Vote in Lieu of a Special Meeting. If the Board considers the issue(s) to be voted upon in a special meeting to not warrant discussion by the Members, the Board may elect to use a mail-in ballot in lieu of holding a special meeting. In this event, the ballots will be prepared and mailed to the Owners at least 15, but not more than 30 days prior to the date set for the tabulation of the ballots. Ballots received on or after the tabulation date will not be counted.

2.4 Absentee Voting. On all matters to be voted upon by the Owners at any Annual or Special Meeting, the Owners will receive an absentee ballot at least seven days prior to the date of the meeting. The absentee ballot will designate the issue on which the Owners are to vote and permit the Owners to vote "for" or "against" the issue, including the election of directors. An Owner who votes by absentee ballot may elect to attend the meeting but may neither vote a second time nor change his/her vote. An absentee ballot is only valid for the meeting for which it was issued. Absentee ballots will be used in determining if a quorum exists.

2.5 Notices. Written notice of each meeting must be given by, or at the direction of, the Secretary or any other person authorized to call the meeting, by mailing a copy of the notice via the United States Mail, postage prepaid. The notice must be mailed at least 15 days but not more than 30 days before such meeting. The notice will be sent to the Owner's address appearing on the books of the Association as of the date the notice is mailed, or at any other address supplied by the Owner, in writing, to the Association for the purpose of notice. The notice must specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

2.6 Quorum. Thirty percent of the Owners entitled to vote must be present at the meeting at which the vote is to be taken or tabulated, or have submitted an absentee ballot covering the issue(s) on which the vote is being taken, except that for the election of Directors and for voting to remove a Director from the Board, the quorum is 20%. If a quorum, including the absentee ballots if any, is not present at any meeting, the Owners have power to adjourn the meeting to another date and time by providing notice of the adjourned meeting, together with another absentee ballot to be used at the adjourned meeting. A majority of the votes cast at any election or for any issues, provided there is a quorum, is an act of the membership.

2.7 Ballots. Because absentee ballots are required, all voting must be by written ballot. Except for voting on any amendments to the Declaration, the Owners are not obliged to provide their names on the ballot, so long as the ballot is identified by Lot number. Following tabulation, all ballots will be sealed and stored for at least 12 months in the custody of the Board, except when the law requires a longer period.

2.8 Prohibitions on Types of Voting. Neither voting by proxy nor cumulative voting is permitted at any time on any matter pertaining to the Association or the Board.

ARTICLE III BOARD OF DIRECTORS

3.1 Number. A Board of five Directors will manage the affairs of the Association. However, in the absence of a sufficient number of candidates willing to serve on the Board, the Board may operate with as few as three Directors.

3.2 Eligibility and Election. Directors must be year-round resident Members of the Association. A "year-round" resident is defined as an Owner whose permanent residence is a Lot within the Properties. At the time of election, Owners may cast one vote for each vacancy. The person(s) receiving the highest number of votes will be elected. If there is a tie vote, a simple game of chance will be used to determine the election, provided each candidate has an equal chance of winning. No more than one Member who is part of the ownership of a Lot (or several Lots where that Member is part of the ownership of two or more Lots) may serve on the Board at the same time.

3.3 Term of Office. The term of each Director is for two years. A Director may serve any number of consecutive terms, provided that the Member's biography submitted as part of the election materials indicates how many terms have been served consecutively immediately prior to the election. It will be conclusively presumed that any Director who misses more than three consecutive meetings of the Board will be deemed Board to have resigned from the Board.

3.4 Candidate Pool. Any Member who desires to be a candidate for election to the Board must submit a written application to the Board, which includes a statement of his/her qualifications and other relevant information, of between 50 and 100 words. The Board cannot nominate Members for election to the Board unless there are an insufficient number of candidates to fill the vacant positions, in which case the Board may encourage other Members to become candidates. The names of all of the candidates must be set forth on every ballot for election to the Board, unless the candidate is not in good standing which means that the proposed candidate is delinquent in the payment of assessments or in violation of the Governing Documents. In any event, the requirement for absentee ballots prohibits the practice of nominating candidates from the floor during the annual meeting.

3.5 Interim Appointments. If a Director leaves office for any reason, including the removal, resignation, incapacitation or death, the Board will appoint a Member to serve as an interim Director from among the candidates who submitted their names for election to the Board at the last annual meeting of the Members, if any. If there were no such candidates, then the Board must select an interim Director from among the Members. All interim Directors will serve until the next annual meeting, at which time he or she may choose to have his/her name on the ballot for election to a two-year term.

3.6 Powers. The Board has all of the powers of a Board of Directors of an Arizona nonprofit corporation, subject only to those limitations set forth in the Governing Documents and the Arizona nonprofit corporation act. The Board has the power to do any and all lawful acts that maybe authorized by the Governing Documents, or any applicable law, and any acts that may be necessary or incidental to the exercise of any of the express powers of the Association. These powers include, but are not limited to:

a. *Vested Powers.* Exercise for the Association all powers, duties and authority vested in or delegated to this Association, and not reserved to the Owners by the Governing Documents;

b. *Voting Suspension.* Suspend an Owner's voting rights and the right to use the recreational facilities during any period in which such Owner is in default in the payment of any Assessment levied by the Association.

c. *Contractor Employment.* Employ a manager, independent contractors (including attorneys) or such other agents as the Board deems necessary and to prescribe their duties.

d. *Supervision.* Supervise all officers, employees, and agents of the Corporation, and ensure that their duties are properly performed.

e. *Certificates.* Issue, or cause an appropriate Officer to issue, upon demand by any person, an certificate (called an estoppel certificate) setting forth whether or not any assessment has been paid. The Board may charge a reasonable fee for the issuance of these certificates. If a certificate states an assessment has been paid, the certificate is conclusive evidence of such payment;

3.7 Removal of Directors. At any regular or special meeting of the Corporation at which a quorum is present, any member of Board can be removed by the Owners, with or without cause, by the vote of a majority of the Owners who are voting. For purposes of the removal of a director, a quorum exists if 20% of the Owners are present at the meeting, or have returned an absentee ballot. The procedure for removing a director is as follows:

a. A petition signed by the Owners entitled to cast at least 25% of the votes in the Association requesting the removal of a member of the Board must be submitted to the Board. Each page of the petition must contain the name(s) of the Director(s) whose removal is being requested.

b. Once the petition has been received by the Board, the Board must schedule a special meeting of the Members. The notice of this meeting must be given to the Owners at least 10 days before the meeting, and be sent by first class mail to the mailing address for the Owner as reflected in the Association records. An absentee ballot must be sent with the notice of this meeting in accordance with the requirements in Section 2.5 and must give the Owner the right to vote for or against the removal of the named director who is proposed to be removed.

c. The special meeting must be held within 30 days from receipt of the petition requesting the removal of a director.

d. A petition asking for the removal of the same member of the Board cannot be submitted more than once during each term of office for that Board member.

3.8 No Compensation. No Director will receive any compensation for any service he or she may render to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties. All requests for such reimbursement must be submitted within 30 days of the date the expense is incurred.

3.9 Action Taken Without a Meeting. The Board has the right to take any action in the absence of a meeting, which could have been taken at a meeting, by obtaining the written approval of all the Directors. Any action so approved has the same effect as though it were taken at a meeting of the Board. However, at least 48 hours prior notice must be given to the Owners, before the proposed action becomes effective. The signed action in lieu of the meeting will be filed with the minutes of the meetings of the Board.

ARTICLE IV OFFICES AND APPOINTMENTS OF THE BOARD

4.1 Permanent Offices. The Officers of the Association are the President, Vice President and the Treasurer. The President and the Vice President must be Directors. The Treasurer should be a Director, but in the absence of a Director who is qualified and willing to serve in this office, then the Board may appoint any year-round permanent resident Member of the Association in good standing, to serve until the next annual meeting of the Association. The appointment may be renewed from year to year.

a. *President.* The President will preside at all meetings of the Members and the Board, will carry out all orders and resolutions of the Board, sign all contracts, leases, mortgages, deeds and other written instruments, and cosign all checks and promissory notes.

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

c. *Treasurer.* The Treasurer will, either directly or by delegating his/her duties to an agent or designee with whom the Board has contracted, receive and deposit in appropriate bank accounts, all monies of the Association, and disburse the funds as directed by resolution of the Board, sign all checks; maintain a petty cash fund not to exceed \$200.00, keep proper books of account; cause an annual review, compilation or audit of the Association books to be made by an accountant at the completion of each fiscal year; and, prepare an Annual Budget and a Statement of Income and Expenditures to be presented to the Members at the Annual Meeting, with copies of each delivered to the Owners.

4.2 Election of Officers. The election of Officers will take place immediately following each Annual Meeting. Each officer will hold office for one year, unless the Officer resigns, or is removed, or is otherwise disqualified to serve. No Director may concurrently hold more than one of the three permanent offices, and no Director may serve as President for more than four consecutive years. After four years, he or she may not be again elected to that office until two years have elapsed.

4.3 Secretary. In addition, the Board will have a Secretary, appointed by the President. The Secretary may not be the President or Vice President, but he or she may be any year-round permanent resident Member of the Association who is in good standing within the Association. The Secretary will record the votes and keep the minutes of all meetings and proceedings of the Board and the Owners; serve notice of the meetings of the Board and of the Association; keep current records showing the Owners of the Association, together with their addresses, and perform any other duties required by the Board.

4.4 Appointed Offices. In addition to the Secretary, the President may appoint any Director or any other Member of the Association to serve as a chairperson of the Association, with the Approval of the Board. If a Member can no longer serve in the appointed capacity, the President may appoint another Member to the vacant chair. One Member may hold more than one chair, and all incumbents, including the Secretary, who are not concurrently Directors, are eligible to participate in Board proceedings relevant to their respective duties but without having the right to vote. All appointments must be set forth in the minutes of the Board meeting where the appointment(s) were made. Chairs include, but are not limited to, the following positions:

a. *Architectural review chair.* This chair reviews requests for architectural modifications and authorized variances from the restrictions imposed by the Governing Documents for presentation to the Board at its next scheduled meeting. The chair may also approve "level two" requests, as defined in the Declaration, without further Board action, even if the chair is not concurrently a Director.

b. *Landscaping and grounds chair.* This chair oversees the maintenance of the Common Areas and landscaping services, if any, to maintain the landscaping on the Lots. The chair may also be authorized by the Board to maintain a petty cash fund not to exceed \$200.00, which will be in addition to the petty cash fund held by the treasurer.

c. *Recreational facilities chair.* This chair oversees to maintenance of the pool, spa, bathhouse, and tennis court facilities. This chair may also be authorized by the Board to maintain a separate petty cash fund not to exceed \$200.00.

d. *Sunrise Area Council representative.* This chair will represent the Association at periodic meetings of representatives of the various Sunrise Homeowners Associations.

4.5 Removal from Office. The Board may remove any Officer from the office he/she is holding (but not from his or her position as a Director) with or without cause. Any Officer may resign at any time, giving written notice to the President or the Secretary. Such resignation takes effect on the date it is received, or at any later date specified in the resignation. Unless the letter of resignation specifies the contrary, the acceptance of a resignation is not necessary to make it effective.

ARTICLE V MEETINGS OF THE BOARD OF DIRECTORS

5.1 Regular meetings. Regular meetings of the Board will be held monthly at a place and hour as determined by the Board. In the absence of any relevant business, the Board may elect to cancel up to two non-consecutive meetings per calendar year.

5.2 Special Meetings. Special meetings of the Board may be held when called by the President of the Association or by a majority of the Directors with 48 hours notice to each Director.

5.3 Notice to Owners. The Board must give the Owners at least 48 hours of the date, time and place of all Board meetings. The notice must be given by newsletter, conspicuous posting or any other reasonable means as determined by the Board.

5.4 Quorum. There is no quorum per se for votes by the Board. All votes to effect any decision by the Board require a majority of affirmative votes of all Directors regardless of how many Directors are present at the Board meeting. However, an absent Director may cast his or her vote in advance by absentee ballot or by telephone or other electronic means at the time of the meeting where the vote is taken. Hence, every act or decision done or made by the Board will be regarded as an act of the entire Board.

5.5 Attendance and participation by Members of the Association. Any Member of the Association, or a person designated in writing as the Member's representative, may attend any Board meeting, except for those meetings held in executive session as permitted by the Act. The Board will permit the Members to speak at the end of the meeting on any matter relevant to the Association. The Members are also entitled to speak before the board takes formal action on an item under discussion. The Board will allow for a reasonable number of persons to speak on each side of an issue. The Board may place reasonable time restrictions on those persons speaking during the meeting.

ARTICLE VI. EXPENDITURES

6.1 Board Authority. Exclusive of action to enforce the terms of the Governing Documents, the Board may not spend or commit to spend, during each fiscal year, more than \$10,000.00 on any single expenditure, without the prior approval of the Owners.

6.2. Approval Required for Higher Limits. For any expenditure in excess of the limits in Section 6.1, the Board must first obtain the Approval of the Owners as set forth in the Declaration.

6.3 Emergency Authority. In the event of a bona fide emergency, in which the property of the Association or the Owners, or where a condition exists which threatens human life anywhere on the Properties, the Board may exceed the limits in Section 6.1, without prior Approval, but only to the extent necessary to immediately remedy the damaging or threatening condition.

ARTICLE VII BOOKS AND RECORDS

7.1 Record-Keeping. The Board will keep a complete record of all of the Board's acts and Corporate affairs, and present a summary statement to the Owners at the Annual Meeting of the Association or at a Special Meeting when such a statement is requested by 25% of the Owners. The President will also designate a Person to be the custodian of the Association's documents and records and designate a location for the records in a location that is accessible to any Director, at any time during normal business hours. Any Corporate records in the possession of a Director or appointed chair must be returned to the custodian of records within 48 hours after the termination of the term of office of the Director or chair.

7.2 **Availability.** The books and records of the Association must be available for the inspection of the Members during reasonable business hours, except for those books and records that are by law exempt from such inspection. The Board will also provide each Owner with a complete copy of the Governing Documents, and all amendments or restatements, at the Association's expense. Additional copies may be purchased from the Association. In the event that a Member wants copies of the Association's books and records, or additional copies of the Governing Documents, the Association will charge the Member 15¢ for each page that is copied and may require a deposit from the Member prior to having the copies made. In any event, any request for review of books and records must be submitted in writing, made in good faith and for a proper purpose. The records requested must be directly connected with the Member's stated purpose. The Association has 10 working days within which to make the books and records available for review.

ARTICLE VIII
MISCELLANEOUS

8.1 **Member Contact With Association Agents and Contractors.** The Board has the power and authority to engage the services of professional advisors, including but not limited to attorneys, accountants and construction consultants. Only a designee of the Board is authorized to contact such professional advisors regarding Association matters. Any Member who contacts such professional advisors regarding Association matters without prior authorization from the Board will be personally responsible for any fees that are incurred and the Board will charge the costs to the Owner as a Reimbursement Assessment.

8.2 **Fiscal Year.** The fiscal year of the Association will begin on the first day of January and end on the last day of December of each calendar year.

8.3 **Amendment.** These Bylaws may be amended or restated by the Association upon the Approval of the Owners. To be effective, the amendment or restatement must be signed by the President and the Secretary of the Association. All amendments must be consistent with the Declaration and the Charter. However, with respect to this restatement, these Bylaws, even if approved in accordance with the provisions of the Bylaws currently in effect, will not be effective until and unless the proposed Restatement of the Declaration, is approved and recorded

These Restated Bylaws were approved by the affirmative vote of a majority of a quorum of Owners voting by a mail-in ballot of the Association tabulated on March 24, 2008, to take effect on March 30, 2008.

IN WITNESS WHEREOF, we the undersigned, being the President and Secretary of the Association, execute these Restated Bylaws on March 24, 2008.

SUNRISE VALLEY TOWNHOMES HOMEOWNERS ASSOCIATION,
an Arizona nonprofit Corporation

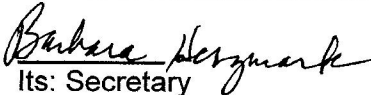
By: Bill Gleason



Its: President



ATTEST: Barbara Herzmark



Its: Secretary

