

SUN LAKES UNIT 11

POLICY MANUAL

–CONTENTS –

AMENDED AND RESTATED ARTICLES OF INCORPORATION:

Article I:	Name	Article X:	Prior Activities
Article II:	Incorporators	Article XI:	Officers/Directors
Article III:	Definitions	Article XII:	Assessments
Article IV:	Purpose	Article XIII:	Powers/Duties Board
Article V:	Place of Business	Article XIV:	Amendment
Article VI:	Membership/Voting	Article XV:	Property Exemption
Article VII:	Non-Profit Purpose	Article XVI:	Severability
Article VIII:	Dissolution	Article XVII:	Statutory Agent
Article IX:	Term		Non-Profit Amendment
	Corrections to original		Articles of Incorporation

AMENDED AND RESTATED BYLAWS:

Article I:	Definitions	Article III:	Directors
Article II:	Meetings	Article IV:	Officers
Article V:	Amendment of ByLaws		

AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

**SUN LAKES PHASE TWO UNIT ELEVEN TOWHOUSE ASSOCIATION,
INC.**

(Name change filed Arizona Corporate Commission 12-17-01)

KNOW ALL MEN BY THESE PRESENTS that we the undersigned have this day voluntarily associated ourselves together for the purpose of forming a non-profit corporation under the laws of the State of Arizona, and we do hereby adopt the following Articles of Incorporation.

ARTICLE I

NAME

The name of this corporation is SUN LAKES PHASE TWO UNIT ELEVEN TOWNHOUSE ASSOCIATION, INC.

ARTICLE II

INCORPORATORS

The names and addresses of the Incorporators are as follows:

E.J. Robson
25612 E. J. Robson Blvd
Sun Lakes, AZ 85224

Robert D. Robson
25612 E. J. Robson Blvd.
Sun Lakes AZ 85224

1.

ARTICLE III

DEFINITIONS

Property over which this corporation has “jurisdiction”, and “property subject to the jurisdiction of the corporation” as the forgoing terms are used in these Articles, are and refer to that certain real property, or any part or parts or portion or portions thereof, or interest or estate therein in the county of Maricopa, State of Arizona, more particularly hereafter in this Article III described which is, or may hereafter be, but only as and when, made subject to a recorded Declaration of Restrictions. The real property referred to in this Article III is described as follows:

Tracts A, B C, D and E in Sun Lakes Unit 11 and Unit 11A, a part of the Northwest quarter, Section 32, township 2 South, Range 5 East, G&SRB&M Maricopa County, Arizona according to the plat of record in the office of the County Recorder, Maricopa County, Arizona, Book 210, page 11, and Book 216, page 32.

ARTICLE IV

PURPOSE

This corporation, hereafter referred to as the “Association” or this “Corporation”, is a Corporation which does not contemplate pecuniary gains or profit to the members thereof. The specific and primary purposes for which this corporation is formed are to own, operate and provide for the management, maintenance and preservation of the property and every part thereof, and the improvement thereon, over which this corporation has jurisdiction, for the benefit of the owners and residents thereof, for their pleasure, recreation and other non-profit purposes, to provide for, promote and protect the general and social welfare and interest of homeowners and residents in Sun Lakes Unit Eleven, and to represent the homeowners and residents of Sun Lakes Unit Eleven in matters of public interest, and in furtherance of the foregoing purposes to do any and all things which may be authorized, required or permitted to be done by this corporation under and by virtue of any Declaration of Restrictions affecting the property which is subject to the jurisdiction of the corporation.

- (a) To care for vacant, unimproved and unkempt townhouses in property over which this corporation has jurisdiction: remove and destroy grass, weeds and any unsightly and obnoxious things there from: and to do any other things and perform any labor necessary or desirable in the judgment of this corporation to keep the property, and the land contiguous and adjacent thereto, neat and in good order.

- (b) To pay the taxes and assessments which may be levied by any governmental authority upon the common areas in Tracts A, B, C, D, and E in property over which this corporation has jurisdiction, and on any property of this corporation or which may be held in trust for this corporation.
- (c) To enforce charges, restrictions, conditions and covenants existing upon and created for the benefit of said property over which this corporation has jurisdiction; to pay all expenses incidental thereto; to enforce the decisions and rulings of this corporation concerning any property over which this corporation has jurisdiction; to pay all expenses in connection therewith; and reimburse any declarant under any Declaration of Conditions, Covenants, Restrictions, assessments or charges affecting property over which this corporation has jurisdiction, or any part thereof, for all costs and expenses incurred or paid by it in connection with the enforcement or attempted enforcement of any of the Conditions, Covenants, Restrictions, charges, assessments or terms set forth in any Declaration.
- (d) To improve, provide for, beautify and maintain open spaces, including all grass plots, park strips, other planted areas and trees and shrubs within the bordering property over which this corporation has jurisdiction as shall be maintained for public use or for the general use of the owners of townhouses in property over which this corporation has jurisdiction.
- (e) To pay for and, in its discretion, to set fees for the examination and approval or disapproval of plans, specifications, color schemes, block plans and grading plans for any building outhouse, garage, stable, fence, wall or other structure of any kind which shall be erected, constructed, placed on or maintained on property over which this corporation has jurisdiction, or any part thereof, and for any alterations, construction, changing, repairing, remodeling or adding to the exterior thereof, and for such supervision of construction and inspection as may be required to insure compliance therewith, including the services of architects and other persons, employed to examine and advise upon such plans, specifications, color schemes, block plans and grading plans.
- (f) To contract with any qualified contractor as agent for the operation, construction or reconstruction of any facility provided for herein.
- (g) To equally assess all units for annual charges or assessments to which property over which this corporation has jurisdiction shall be made subject; to collect the charges or assessments affecting said property; to pay all expenses in connection therewith, and all office and other expenses incidental to the conduct of the business of this corporation and all licenses, franchise taxes, and governmental charges levied or imposed against property over which this corporation has jurisdiction; such charges or assessments shall

3.

become a lien on said property as soon as due and payable. Settlement of such lien shall be made as determined by the Directors of this Corporation.

- (h) To expend the monies collected by this corporation from assessments, or charges and other sums received by this corporation for the payment and discharge of all proper costs, expenses and obligations incurred by this corporation in carrying out any or all of the purposes for which this corporation is formed.

ARTICLE V

PRINCIPAL PLACE OF BUSINESS

The principal office for the transaction of the business of this corporation is located in Maricopa County, Arizona.

ARTICLE VI

MEMBERSHIP AND VOTING

Every person or entity that is shown by a duly-acknowledged instrument recorded in the office of the County Recorder of Maricopa County, State of Arizona, to be an "owner" as defined in the Declarations or Restrictions affecting the property subject to the jurisdiction of this corporation and every person or entity that is shown by a duly-acknowledged instrument to be purchasing a residential townhouse under a contract or agreement of purchase shall be a member of this corporation, provided and excepting that no person or corporation taking title as security for the payment of money or for the performance of any obligation shall thereby become entitled to membership.

Notwithstanding that more than one person or entity may be shown of record of be owner of one townhouse jointly or in common with others, or may be shown under a contract or agreement of purchase to be the owner of one townhouse jointly or in common with others, the membership as to such townhouse shall be joint and the right of such membership shall be exercised only by the action by all owners of record of such townhouse or of all purchasers under said contract or agreement of purchase, respectively. With regard to any ownership held by more than one person or entity, either jointly or in common with others, any such owner notifying the Board of Directors in writing as provided by the Bylaws of this corporation, shall be deemed to be the member and entitled to vote on behalf of himself and all other joint or common owners and shall remain such until all such common or joint owners advise the corporation in writing of the identity of the one of such joint or common owners who shall be designated a member.

Membership shall consist and continue only so long as each owner is shown of record to be the owner of a townhouse or purchaser thereof under a contract or agreement of purchase of a townhouse in Sun Lakes Unit Eleven. Membership in this corporation shall not terminate upon the death of a member, but all of the rights of such member shall be vested in the personal representative of each deceased member, provided however,

that if the townhouse owned by such deceased member, which entitled such member to membership, was held jointly or in common with another or others who survive such member, that upon death of such deceased member, the membership of such member shall terminate, and such other or one of such other joint or common owner shall become the member.

Notwithstanding that this corporation may own any such unit, ownership as would otherwise entitle this corporation to be a member, this corporation shall not be a member.

The corporation shall have one (1) class of voting membership. CLASS A members shall all be owners with the exception of the declarant named in the Declaration of Restrictions, and shall be entitled to one vote for each townhouse owned

ARTICLE VII

NON-PROFIT PURPOSE

This corporation shall be a non-profit corporation and shall have no capital stock. No dividends or pecuniary profits shall be declared or paid to the directors or officers thereof.

ARTICLE VIII

DISSOLUTION

In the event of the dissolution of this corporation, any assets remaining after the payment of creditors shall be distributed for one or more of the exempt purposes of the corporation or paid over to an organization or organizations described in section 501 (c) (3) and exempt from taxation under Section 501 (a) of the Internal Revenue Code of 1954, as selected by the Board of Directors, or failing such selection, selected by the Superior Court of the State of Arizona, County or Maricopa. In no event shall the assets be distributed to any director, officer or member of the corporation or any private individual.

ARTICLE IX

TERM

The commencement of the corporation shall be the date of the filing of the Articles of Incorporation by the Arizona Corporation Commission, and it shall endure for the full term of twenty-five years thereafter, with the privilege of perpetual succession as provided by law.

ARTICLE X

RATIFICATION OF PRIOR CORPORATE ACTIVITIES AND TERM

The commencement of doing business of this corporation shall be the date of the filing of the Amended and Restated Articles of Incorporation with the Incorporating division of the Arizona Corporation Commission. However, the business of this corporation has been transacted in the State of Arizona prior to the filing of the Articles. The incorporators do hereby ratify, approve and adopt as the pre-incorporation activities of this corporation all of the acts done on behalf of the corporation prior to the filing of these Amended and Restated Articles of Incorporation.

ARTICLE XI

OFFICERS AND DIRECTORS

The affairs of this corporation shall be conducted by a Board of Directors consisting of an odd number of not less than three (3) nor more than (9) persons as determined from time to time by the Board of Directors. The annual meeting of the corporation for the purposes of determining the number of directors, electing the Board of Directors, filling vacancies, electing officers and reviewing the affairs of the corporation shall be held annually on the first Monday of February of each year, or upon such other date as may be designated by the Board of Directors. The number of Directors of this corporation to serve initially shall be five (5). The following persons shall serve as directors until the election of their successors:

G. Frank Mills, President

9835 E. Michigan Avenue

Linda Leland, Vice-President

25229 S. Glenburn Drive

Dorothy Thurman, Secretary/Treasurer

25228 S. Mohawk Drive

John Straub, Director

Gary Cox, Director

Jo Kuehner, Director

Don DeCleene, Director

ARTICLE XII

ASSESSMENTS

The Board of Directors shall assess and collect from each member of the Corporation such sums (monthly assessment) as may be necessary to properly carry out all purposes set forth herein including, but not limited to, management fees, insurance premiums, expenses for maintenance, repairs and replacements of common areas, reserves for contingencies, charges for all utilities for the common areas and real estate taxes. Each member's pro-rated share of said expenses shall be determined by the Board of Directors.

The Board of Directors shall establish and maintain a Reserve Fund for replacements, repair, or maintenance of existing Association responsibilities by the allocation and payment monthly to such Reserve Fund of an amount to be designated from time to time by the Board of Directors. Such funds shall be deposited in a special account with a safe and responsible depository and may be in the form of a cash deposit or invested in obligations of or fully guaranteed as to principal by the United States of America. The reserve fund is for the purposes of effecting a replacement or repair because of damage, depreciation or obsolescence to common area facilities. Reserve Fund expenditures or withdrawals shall be authorized by a majority vote of the Board of Directors at a regular meeting. Any Association labor required to equip or implement a Reserve Fund item may be included with the cost of that item or project and charged to the Reserve Fund. The revenues for this fund will be from Homeowner's annual assessments and other sources (e.g., Reserve Fund Fees, end-of-year surplus from the Operating Fund, etc.). The funds realized from interest earned on the Reserve Fund account shall be considered revenue for the Reserve Fund. The Reserve Fund Fee (e.g. that fee charged to each purchaser of a Unit Eleven Townhouse) shall be set at \$1000 beginning January 1, 2018 and may be adjusted from time to time as the Board authorizes. To compensate for a deficiency in the Operating Fund, money may be transferred from the Unrestricted portion of the Reserve Fund to the Operating Fund following approval by a majority vote of the Board of Directors. Revenues designated for the Reserve Fund shall be accumulated in the Reserve Fund and shall be reflected in the Financial Report for the month following the deposit.

The monthly assessment for each townhouse shall commence on the date the townhouse is sold.

The Board of Directors shall, not later than December 1, determine the assessments for the ensuing calendar year. Assessments are due and payable monthly or at the discretion of the Board of Directors. If assessments are not paid by the member prior to delinquency, they shall be subject to a penalty of ten percent (10%) of the monthly total or fifteen dollars (\$15.) whichever is greater. In the event of delinquency, the Board of Directors shall cause to be filed in the office of the County Recorder of Maricopa County, an affidavit of non-payment of assessments in the form of a materialman's lien and may post a copy of the same upon the said townhouse. The Board of Directors may at any time thereafter institute a foreclosure action on said lien in the manner provided by Arizona law for the foreclosure of realty mortgages, provided, however, any such lien shall not affect in any way the mortgage now of record or which hereafter may be placed of record upon said parcels or any part thereof. Nothing contained herein shall limit any other remedy which may be available. In the event legal action is instituted to collect delinquent assessments, the prevailing party shall be awarded attorney's fees.

ARTICLE XIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

- (a) Except as specifically provided herein, the Board of Directors may take any action which may be taken by the corporation.
- (b) The Board of Directors shall have full power to adopt, alter, and amend the By-laws and to make proper rules and regulations for the transaction of the affairs of the corporation.
- (c) The Board of Directors shall have the power to adopt and publish rules and regulations governing the use of all designated common areas and any subsequently designated common areas and such rules and regulations shall be binding upon the members of this corporation, their guest heirs, and assigns.
- (d) The Board of Directors shall have the power to establish, delegate duties to and provide for the selection, appointment or election of a council architectural committee and such other committees as it deems appropriate to carry out the purpose of the corporation.
- (e) Before entering upon a townhouse to make repairs or perform maintenance or rehabilitation work as provided in the Declaration of Restrictions, the Board of Directors shall first give written notice to the member of its intention to make such repairs or its intention to perform such maintenance or rehabilitation work and afford the member sixty (60) days within which to make such necessary repairs or maintenance work. If at the end of said sixty (60) days the work to be performed has not been done by the owner, then the Board of Directors shall have the right set forth herein, to make such maintenance, repairs or rehabilitation work at the homeowner's expense.

ARTICLE XIV

AMENDMENT

- (a) Except as hereinafter provided, these Amended and Restated Articles of Incorporation may be amended as follows:
 - (1) By the affirmative vote of a majority of the Board of Directors at a meeting called for that purpose; or
 - (2) By a majority of the votes cast at a regular or special meeting of the corporation when notice of the intent to vote on the proposed amendment is provided to members at least ten (10) days prior to the meeting.
- (b) In no event shall the purposes of this corporation be changed. Articles VI and VII hereof shall not be changed altered or amended in any way whatsoever, except as may be required to comply with the tax-exempt requirements of the United States Treasury Department and the Internal Revenue Code then existing or as may hereafter be amended.

ARTICLE XV

PRIVATE PROPERTY EXEMPT

The private property of the Directors, Officers and members of this corporation shall be forever exempt from its debt and obligations.

ARTICLE XVI

SEVERABILITY

If any provisions of these Amended and Restated Articles or the Bylaws or the application of such provisions to any person or circumstance shall be held invalid, the remainder of the Articles or Bylaws, or the application of such provisions to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

ARTICLE XVII

STATUTORY AGENT

The Sun Lakes Phase Two Unit Eleven Townhouse Association, Incorporated Statutory Agent is listed in the annual corporate report, filed with the Arizona Corporate Commission, file # 01622378, and may be viewed online. The Statutory Agent as listed therein is the lawful agent for and in behalf of the said corporation to accept and acknowledge service and upon whom may be served all necessary process or processes against the said corporation in any of the courts of the said State of Arizona, such service of process or notice or the acceptance thereof by the agent endorsed thereon to have the same force and effect as if served upon the president and secretary of said corporation.

FEES

A Transfer Fee of \$170 shall be charged at closing for each Unit Eleven Townhouse sold.

A Disclosure Fee of \$170 shall be charged at closing for each Unit Eleven Townhouse sold.

The fee for Insufficient Funds charged back either because a check was returned because of insufficient funds or because an ACH bank payment was charged back to the Corporation checking account is \$25.00.

01/01/2019