

AMENDED AND RESTATED BYLAWS  
OF  
IRONOAKS AT SUN LAKES

Amended May 25, 2011, December 21, 2011 and December 28, 2011

ARTICLE I

Name, Principal Office and Definitions

Section 1. Name. The name of the corporation is Sun Lakes Homeowners Association No. 3, Inc., which may also be doing business under registered trade names including "IronOaks," "IronOaks Association" and "IronOaks at Sun Lakes" (the corporation and any and all trade names are collectively referred to herein as "Association.")

Section 2. Principal Office. The principal office of the Association and place of business is 24218 S. Oakwood Blvd., Sun Lakes, AZ 85248. Meetings of the Members and Directors may be held at any building owned by the Association.

Section 3. Definitions. Words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms used but not defined herein shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions (the "Declaration") or in the Articles of Incorporation (the "Articles").

ARTICLE II

Administration of Corporation

Section 1. Mixed-use Planned Community. The Association is established under a general plan of development as a mixed-use planned community. The general plan of development for the Association contemplates various types of development, including, but not limited to, residential, commercial, and recreational amenities. All property within the Association shall be subject to the Declaration. In addition, particular portions of the community may be subject to their own independent community governance structures and specific recorded covenants, conditions, or restrictions affecting the property.

Section 2. General Purpose and Powers. Sun Lakes Homeowners Association No. 3, Inc., is a nonprofit corporation formed pursuant to its Articles under the laws of the state of Arizona. As stated in the Articles, the object and purpose for which the corporation was organized is to provide for the management, maintenance and care of the Common Areas, of other property

owned by the Association and property placed under the jurisdiction of the Association.

Section 3. Management and Business Affairs. The business, property and business affairs of the Association shall be managed, controlled and conducted by its Board of Directors. In furtherance of the duties and powers of the Board of Directors as set forth in these Bylaws, the Articles and the Declaration, the Board of Directors has the right to hire, dismiss and designate management, personnel and employees, and the right to further delegate such hiring and dismissing authority of such personnel necessary to carry out the Association's rights, powers and duties as set forth in and in accordance with these Bylaws, the Articles and the Declaration.

Section 4. Policy Regarding Members as Employees. To avoid conflicts of interest, effective for new hires starting January 1, 2012, no Member of the Association shall be employed by the Association as the head of a department.

## ARTICLE III

### Membership, Meetings, Voting

Section 1. Membership. As set forth in the Declaration and Articles, each owner of a Lot shall be a member of the Association (a "Member"). Such membership shall automatically terminate when ownership ceases and, upon the transfer of an ownership interest, the new owner succeeds to membership in the Association. There shall be only one Membership for each Lot, which Membership shall be shared by any joint Owners of, or owners of undivided interests in, a Lot.

Section 2. Meetings. Meetings of Members shall be held at the principal place of business of the Association or at such other convenient place as may be designated by the Board of Directors (the "Board"). The Board shall be responsible for setting the date and time of a regular meeting of the Members to be held annually.

Section 3. Special Meetings. The President of the Board may call special meetings of the Members. It shall also be the President's duty to call a special meeting if so directed by a Board resolution or by Members having at least ten percent (10%) of the votes entitled to be cast at such a meeting. Notice of any special meeting shall state the time, place and purpose of such meeting. No business shall be transacted at a special meeting except as stated in the notice, unless by consent of the Members present, either in person or by absentee ballot, holding two thirds of the votes represented at the meeting.

Section 4. Notice. Notice of all meetings of the Members stating the time, the place, and the purpose for which the meeting is called shall be given by, or at the direction of, the Secretary or person authorized to call the meeting. Such notice may be given by publishing the same in any newspaper in general circulation within the property governed by the Association or in Maricopa County. Notice may also be given by any other lawful means. Notwithstanding anything in this Article to the contrary, any special meeting called in connection with the removal of a director or directors by the Members shall comply with the call and notice provisions of A.R. S. §33-1813.A.

Section 5. Waiver of Notice. Waiver of notice of a meeting of Members shall be deemed the equivalent of adequate notice. Any Member may waive, in writing, notice of a meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver of notice unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

Section 6. Voting.

- (a) The voting rights of the Members is subject to the provisions of the Declaration, Articles and these Bylaws, or as otherwise provided in the Arizona planned community statutes. Subject to the authority of the Board to suspend a Member's voting rights, each Membership is entitled to one vote in all elections for the Board of Directors and all other Association matters requiring a vote of the Members (the "Voting Member" or "Voting Membership"). A Voting Member's vote may be cast in person and by absentee ballot, in addition to any other form of delivery as may be designated by the Association. Any action taken by the Members at an annual, regular or special meeting of the Members by the Voting Members shall comply with all of the following if absentee ballots are used:
  - (i) The absentee ballot shall set forth each proposed action;
  - (ii) The absentee ballot shall provide an opportunity to vote for or against each proposed action;
  - (iii) The absentee ballot shall state that it is valid for only one specified election or meeting of the Members and expires automatically after the completion of the election or meeting;
  - (iv) The absentee ballot shall specify the time and date by which the ballot must be delivered to the Board in order to be counted, which shall be at least seven (7) days after the date the Board delivers the unvoted absentee ballot to the Member; and
  - (v) The absentee ballot does not authorize another person to cast votes on behalf of the Member.

- (b) Membership votes cast by absentee ballot or other forms of delivery are valid for the purpose of establishing a quorum.

Section 7. Quorum. A quorum of Members for any meeting shall be constituted by Voting Membership represented in person or by absentee ballot holding ten percent (10%) of the votes entitled to be cast at the meeting. Unless the vote of a greater number is required by these Bylaws, the Declaration, the Articles, or Arizona law, the affirmative vote of a majority of the Voting Membership represented at a meeting and entitled to vote shall be binding as the act of the Members.

Section 8. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

## ARTICLE IV

### Board of Directors

Section 1. Power and Qualifications. The Association's business affairs shall be managed by a Board of Directors which shall serve as the Association's corporate policy-making body. Each Director shall have one equal vote. All Directors shall be Members. Any Member who is delinquent in the payment of any assessment or other charge due the Association shall not be eligible to serve on the Board.

Section 2. Number. The number of Directors may be altered from time to time by resolution or a majority vote of the Board of Directors but only within the limits prescribed by the Articles. In the event of any increase in the number of Directors before a scheduled election, each additional Director shall be elected by the then Board and hold office until a successor is elected and shall qualify.

Section 3. Election. Elections for Directors may occur at any annual, regular or special meeting of the Members designated for such purposes pursuant to the provisions of the Declaration, these Bylaws or Arizona law. The voting procedures set forth in Article III, Section 6, shall be used. At the discretion of the Board, from time to time, it may adopt and modify additional procedures for elections, but only so long as such additional election procedures comply with these Bylaws, the Declaration and Arizona law. Except as otherwise provided herein, each Membership entitles the Member to one vote in all elections for the Board of Directors with respect to each position to be filled. There shall be no cumulative voting. Notwithstanding anything to the contrary in this Section or in these ByLaws, whenever the number of Members running for Board vacancies equals or is less than the number of such vacancies, in lieu of

holding an election, the candidate(s) will be elected by acclamation. At the Board's regularly scheduled meeting that follows the close of nominations, the Board will announce the results of the acclamation.

Section 4. Term of Office. Effective as of the date of these Amended and Restated Bylaws and for the purposes of any subsequent elections for Directors by the Voting Membership, the term of office of the Directors of the Association shall be three (3) years, beginning on the first day of the Association's fiscal year immediately following any such election. Except as otherwise provided herein, no Director may serve for more than two (2) successive terms of office.

Section 5. Staggered Terms. To maintain staggered terms of office for Directors on the Board, annual elections shall take place to elect Directors to fill the vacancies of the Directors whose term(s) of office will expire at the end of the fiscal year in which the election is held.

Section 6. Removal of Directors.

- (a) Notwithstanding any provision of these Bylaws to the contrary, a Director may be removed from the Board subject to the provisions of A.R.S. §33-1813 by a majority vote of Voting Membership entitled to vote and voting on the matter at a meeting called for such purposes and at which a quorum of the Voting Membership is present. For purposes of this section, a quorum is present if at least twenty percent (20%) of the Voting Members or one thousand (1,000) Voting Members, whichever is less, is present at the meeting in person or as otherwise permitted by law. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose and an opportunity to be heard, to the extent required by law.
- (b) Any Director who: (i) has three (3) consecutive unexcused absences from Board meetings, (ii) is more than thirty (30) days delinquent in the payment of any assessment or other charge due the Association, or (iii) is otherwise deemed by the Board to be in violation of the Declaration, Articles or Bylaws, may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present.
- (c) A Director may resign from the Board by delivering his or her written resignation to the Board of Directors, effective upon receipt.

Section 7. Vacancies. Vacancies caused by any reason other than the expiration of a term of office shall be filled by vote of the majority of the remaining Directors on the Board, or by the remaining Director if there is only one, and each such person so selected ("Appointed Director") shall serve until the earlier of (a)

the expiration of the remaining term of the Director whose vacancy is being filled, or (b) the next regularly scheduled election for Board members, but only so long as the election for the Appointed Director's seat on the Board does not result in a majority of the Directors being elected at that time, in which case the Appointed Director shall continue to serve on the Board until the next annual election in which the total number of Directors up for election does not constitute a majority of the Board members. In the event that more than one Appointed Director's seat on the Board is subject to re-election pursuant to (b), above, then the Appointed Director most recently seated shall be subject to re-election first, and the election for any other Appointed Directors shall be postponed until the next annual Board member election, subject to the same priority and terms set forth herein. Notwithstanding, an Appointed Director who serves to fill a vacancy as provided herein shall not be limited to serving for more than two (2) successive terms of office until that Director is duly elected by the Members.

Section 8. Quorum. A majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the Board's decision; provided, that no matter may be passed by an affirmative vote of less than the number of Directors required for a quorum and a greater number may be required if a greater vote requirement is specifically required in these Bylaws, the Articles or the Declaration. If any Board meeting cannot be held because a quorum is not present, a majority of the Directors present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date of the original meeting. If a quorum is present at the reconvened meeting, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 9. Participation in Meetings. One or more Directors may participate in and vote during any regular or special Board meeting by telephone conference call, fiber optics, or similar audio or video communication equipment by means of which all persons participating in the meeting can hear each other at the same time. Those Directors so participating shall be deemed present at such meeting.

Section 10. Conduct of Meetings. The President shall preside over all Board meetings. The Secretary shall keep a minute book of Board meetings and shall record all Board resolutions and all transactions and proceedings occurring at such meetings.

Section 11. Open Meetings; Closed Session; Special Meeting.

- (a) Notice of Board meetings shall be posted or noticed as required by law, and if not otherwise required or permitted, posting a notice shall occur at least forty-eight (48) hours in advance of the meeting at a conspicuous place within the Association Land which

the Board establishes for the posting of notices relating to the Association, or via email or regular mail, to the extent permitted by law. Subject to the provisions hereof, and except as otherwise provided by law, all Membership Meetings and Board meetings are open to all Members or any person designated by a Member in writing as the Member's representative, and all Members or designated representatives so desiring are permitted to attend and speak at an appropriate time during the deliberations and proceedings, subject to reasonable time and procedural restrictions during the meeting and before the Board takes formal action on an item under discussion.

- (b) Notwithstanding the above, the presiding officer of the Board of Directors may adjourn any meeting of the Board and reconvene in closed session and may exclude persons other than Directors to discuss matters as permitted by A.R.S. §33-1804, or any successor or other applicable statute.
- (c) Special meetings of the Board may be called by the President or Secretary on three (3) days notice to each Director, given personally, by mail, or phone or other electronic media, which notice shall state the time, place and purpose of the meeting. Upon request of at least two (2) of the Directors, special meetings of the Board shall be called by the President or Secretary in like manner and in like notice.

Section 12. Action without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Directors, and such consent shall have the same force and effect of a unanimous vote.

Section 13. Compensation. No compensation shall be paid to Directors for their service as Directors. No remuneration shall be paid to a Director for services performed by him or her for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board before the services are undertaken. Directors, however, may be reimbursed for any actual expenses incurred in connection with their duties as Directors.

Section 14. Duties. The Board of Directors' duties include, but are not limited to:

- (a) Preparing and adopting an annual budget;
- (b) Levying and collecting assessments from Owners;
- (c) Providing for the operation, care, upkeep, and maintenance of the Association property;

- (d) Designating, hiring, dismissing personnel, or delegating such hiring and dismissing authority of such personnel necessary to carry out the Association's responsibilities;
- (e) Depositing all funds received on behalf of the Association in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve funds may be deposited in depositories other than banks as such deposits may be governed by the Declaration or Arizona law;
- (f) Subject to the Declaration, making and amending Association Rules and Architectural and Landscape Guidelines;
- (g) Making or contracting for the making of repairs, additions and improvements to or alterations of the Association Land in accordance with the Declaration and these Bylaws;
- (h) Enforcing the provisions of the Declaration, Articles and these Bylaws as provided for in those documents and Arizona law;
- (i) Obtaining and carrying property and liability insurance and fidelity bond, if deemed necessary, and filing and adjusting claims as necessary;
- (j) Paying the cost of all services rendered to the Association;
- (k) Keeping books and detailed accounts of the Association's receipts and expenditures;
- (l) Maintaining the corporate records of the Association; and
- (m) Borrowing money for any legal purpose as such is permitted by the Declaration.

Section 15. Standards of Conduct. In performing his or her duties, each Director and officer shall act in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director or officer reasonably believes to be in the best interests of the Association. A Director or officer acting in accordance with such standards acts in accordance with the business judgment rule and shall be insulated from personal liability to the extent permitted under Arizona law and as otherwise provided in these Bylaws, the Articles and the Declaration. The Board shall exercise its power in a fair and nondiscriminatory manner and shall adhere to the procedures established in these Bylaws, the Article and the Declaration.

## ARTICLE V

### Officers

Section 1. Designation. The Association's officers shall be a President, Vice-President, Secretary and Treasurer. These officers shall be elected from among Board members. The Directors may appoint an Assistant Secretary and an Assistant Treasurer; these officers may, but need not be, Board members. The same person may hold any two or more offices, except that the offices of President and Secretary may not be held by the same person.

Section 2. Election and Term. The officers of the Association shall be elected by the Board at the first meeting held after the first day of each fiscal year. These officers shall serve until their successors are elected.

Section 3. Removal and Vacancies. The Board may remove any officer whenever in its judgment such removal is in the best interests of the Association. The Board may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as may be conferred or imposed by the Board; provided, the Board may not confer or impose powers or duties which may not otherwise be exercised by the Board. In the exercise of delegated responsibility, including oversight of management personnel, officers shall not directly or unreasonably interfere with the day-to-day operations of the Association. By way of example, and not limitation, the officers shall have the following powers and duties:

- (a) President. The President shall preside at all meetings of the Members and of the Board. The President shall have all the general powers and duties which are usually vested in the office of President of an association including the power to appoint committee chairs from the Members of the Association. The President, or his/her designated alternate, shall represent the Association at all meetings of and with the Association.
- (b) Vice-President. The Vice-President shall perform all duties as may be required from time to time by the President of the Board. The Vice-President shall perform the functions of the President in the President's absence.
- (c) Secretary. The Secretary shall be responsible for preparing an agenda for meetings of the Members and of the Board, ensuring that the minutes of the Association, the Board and the committees of the Board are kept, and shall have charge of such books and papers as the Board may direct. In the Secretary's absence, any officer directed by the Board shall perform all duties incident to the office of Secretary.
- (d) Treasurer. The Treasurer shall be responsible for ensuring the receipt and deposit in appropriate bank accounts of all monies of the Association and shall oversee disbursement of funds as directed by resolution of the Board; provided, that a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business within the limits of a budget adopted by the Board. The Treasurer shall also cause an annual audit of the Association's books to be made at the completion of each fiscal year and perform all other duties assigned by the Board.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified in the notice and, unless otherwise specified in the notice, acceptance of such resignation shall not be necessary to make it effective.

Section 6. Agreements, Contracts, Deeds, Leases, and Instruments. At least two (2) officers or such other person(s) as the Board may designate shall execute the Association's agreements, contracts, deeds, leases, and other instruments.

Section 7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of Directors.

## ARTICLE VI

### Committees

Section 1. General. The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. Committees of the Board shall include any required by the Declaration, the Articles, or the Rules of the Association, including an Election Committee.

Section 2. Committee Participation. A Member who has been found by the Board to be in violation of the terms of the Declaration, whether by non-payment of assessments or otherwise, including by reason of violating applicable covenants, rules or regulations concerning improvements on such Member's property, may not remain a member of a committee of the Association if such violation remains uncured. Should such person be a committee member at the time such violation has been found to exist, then such person shall be deemed removed as a committee member ten (10) days after the date the Board determines that such uncured violation exists, unless the Board also determines that, in the case of a non-monetary default, said Member is reasonably and diligently attempting to cure such default.

## ARTICLE VII

### Miscellaneous

Section 1. Fiscal Year. The Association's fiscal year shall be the calendar year unless the Board establishes a different fiscal year by resolution.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Arizona law or these Bylaws.

Section 3. Conflicts. If there are conflicts among the provisions of Arizona law, the Articles, the Declaration, and these Bylaws, the provisions of Arizona law, the Declaration, the Articles, and the Bylaws in that order shall prevail.

Section 4. Books and Records.

- (a) Inspection by Members. The Board shall make available for inspection and copying, the Bylaws, the Articles, the Declaration, the Association Rules, the Architectural and Landscape Guidelines, the record books of the Association, the Board minutes and any Board policies and all financial and other records subject to disclosure under Arizona law; provided, certain records permitted by Arizona law to be withheld from disclosure will not be made available.
- (b) Rules for Inspection. The Board shall establish rules with respect to (i) notice to be given to the custodian of the records; (ii) hours and days of the week when such inspection may be made; and (iii) payment of the cost of reproducing documents requested.
- (c) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. A Director's right of inspection includes the right to make a copy of relevant documents at the Association's expense.

Section 5. Notices. Except as otherwise provided in the Declaration or these Bylaws, all notices, demands, bills, statements, or other communications under the Declaration or these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

- (a) If to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot, Dwelling Unit or Parcel of such Member;
- (b) If to the Association, the Board or the General Manager, at the principal office of the Association or at such other address as shall be designated by notice in writing to the Members pursuant to this Section; or
- (c) If to any committee, at the principal address of the Association or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

## ARTICLE VIII

### Amendment of the Bylaws

These Bylaws may be amended by the affirmative vote of a majority of the Board of Directors. These Bylaws may not be amended insofar as such amendment would be inconsistent with the Declaration, any Subsequent Declaration or the Articles.

### Certificate of Adoption

The undersigned Secretary of the Association does hereby certify that the foregoing Amended and Restated Bylaws have been approved for adoption by a majority of the Board of Directors at a duly called meeting of the Board, and are effective as of the date set forth above, hereby amending those certain Bylaws originally adopted by the Board of Directors of the Sun Lakes Homeowners' Association No.3, Inc., at their organization and first meeting held on December 21, 1989, and amended thereafter on November 2, 1993, February 13, 2007, October 15, 2008, November 17, 2010, May 25, 2011, December 21, 2011 and December 28, 2011.

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Secretary: Joe D'Amore

Date: January 9, 2012