

BY LAWS
OF
SUNNY LANE ESTATES HOMEOWNERS ASSOCIATION
ADOPTED OCTOBER 13, 1999
REVISED AND APPROVED JUNE 27, 2003

WHEREAS, Sunny Lane Estates Homeowners Association ("The Association") is an Arizona nonprofit corporation;

WHEREAS, Arizona Revised Statutes require nonprofit corporations to adopt bylaws to adopt initial bylaws in the Board of Directors; and

WHEREAS, at a meeting of the Board of Directors duly called and held on October 13, 1999 a majority of the Directors present voted in favor of adopting these Bylaws as set forth herein.

NOW THEREFORE, the Bylaws of the Association are hereby adopted in there entirety as follows:

ARTICLE I
NAME AND LOCATION OF ASSOCIATION

Section 1.1 Name. The name of the Association is Sunny Lane Estates Homeowners Association.

Section 1.2 Principle Office. The principle office of the Association in the state of Arizona is currently located at P.O. Box 1117 Apache Junction, AZ 85278. The Association may change location of its principle office as the Board of Directors may determine or as the affairs of the Association may require.

ARTICLE II
REFERENCE TO DECLARATION

Section 2.1 Reference to Declaration. Reference is made to the certain Declaration of Covenants, Conditions and Restrictions for Sunny Lane Estates recorded at Book 1281, page 638, in the official Records of Pinal County, Arizona, ("The Declaration"). Unless otherwise defined in these Bylaws, all capitalized words and phrases shall have the meanings set forth in the Declaration.

ARTICLE III
PURPOSE

Section 3.1 Purpose. The primary purpose of the Association is to serve as the governing body for the Owners of Lots and to fulfill such obligations and exercise such rights as are given by statute and the Association's Governing Documents, as they may hereafter be amended.

ARTICLE IV MEMBERSHIP

Section 4.1 Qualification. Membership in the Association shall be limited to Owners of Lots.

Section 4.2 Voting Rights. Subject to the provisions of section 4.3, the Owner of a lot shall be entitled to one (1) vote on each matter submitted to a vote of the Members. The vote attributable to each lot must be cast as a whole; fractional votes shall not be allowed. In the event that a lot is owned by two (2) or more persons, the joint or common owners shall designate to the Association in writing one of their number who shall have the right to cast votes with respect to such Lot. If multiple Persons own a Lot and are unable to agree upon how their vote shall be cast, they shall lose their right to vote on the matter in question. If any member casts a vote representing a certain Lot, it will thereafter be conclusively presumed that he was acting with the authority and consent of all other owners of the same Lot unless objection thereto is made at the time the vote is cast. In the event that an Owner owns more than one (1) Lot, such Member shall be entitled, subject to the provisions of Section 4.3, to one (1) vote for each Lot owned.

Section 4.3 Good Standing. A member otherwise entitled to vote is delinquent in the payment of annual or special assessments, monetary penalties, interest, late charges, transfer fees or other monies owed to the Association or in not in compliance with terms of the Association's Declaration, By-Laws, Articles or Rules and Regulations of the Association, the Board of Directors may certify that such Member is not in good standing. Such Member's right to vote shall be suspended following written notice at least fifteen (15) days before the suspension and an opportunity to be heard either orally or in writing before the Board. The Member shall remain suspended until all payments, including accrued interest are brought current, or for a period not to exceed sixty (60) days for any other or violations of the Project Documents.

Section 4.4 Transfer of Membership. Membership in the Association is inextricably and irrevocably connected with ownership of a Lot and may not be transferred independently of such ownership.

ARTICLE V MEETINGS OF MEMBERS

Section 5.1 Annual Meeting. An annual meeting of the Members of the Association shall be held at least once every twelve (12) months at a date and time determined by the Board of Directors for the purpose of electing or announcing the results of the election of Directors and transacting such other business as may properly come before the meeting.

Section 5.2 Special Meetings. Special meetings of the Members may be called by the President, the Board of Directors, by the written request signed by Members having at least one-tenth (1/10th) of the total authorized votes in the Association.

Section 5.3 Record Date. For any meeting of the Members, the Board of Directors may fix a date not more than fifty (50) less than (10) days before the date of such meeting. If a record date has not been fixed in advance of a meeting as provided herein, the time of commencement of the meeting shall be deemed the record date.

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Section 5.4 Place of Meeting. Meetings of the Members shall be held in Pinal County, Arizona, at a suitable place designated by the Board of Directors.

Section 5.5 Notice of Meetings. Written notice stating the place, day and hour of the annual meeting of Members or a special meeting of Members shall be hand delivered or delivered by first-class U.S. Mail to all Members, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the Secretary. The notice of the meeting shall be deemed to be delivered when left with a person of suitable age and discretion at the address that appears on the records of the Association or when deposited, postage prepaid, in the United States Mail and addressed to the Member at the address that appears on the records of the Association. In the case of special meetings, the purpose for which the special meeting is called shall be stated in the notice and no business shall be transacted at such special meeting except as stated in the notice.

Section 5.6 Quorum. Those Members present in person or by proxy at a properly noticed meeting of Members shall constitute a quorum at all meetings of the Members.

Section 5.7 Proxies. At any meeting of Members, any Member entitled to vote may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. Proxies may be granted in favor of only another Member, the granting Member's attorney, the lessee of a granting Member's Lot, the Secretary of the Association or the Board of Directors. Proxies shall be duly executed in writing and shall be valid only for the particular meeting designated therein or any adjournment thereof. All proxies must be filed with the Secretary prior to the commencement of the meeting for which they are given. Proxies shall be deemed revoked only upon the appearance in person of the Member granting a proxy at the meeting for which the proxy was granted or on the actual receipt by the person presiding over the meeting of a notice of revocation signed by the Member who granted the proxy.

Section 5.8 Manner of Acting. A majority of the votes entitled to be cast on a matter to be voted upon by the Members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption thereof unless a greater proportion is required by statute, the Declaration or these Bylaws.

Section 5.9 Minutes. Minutes shall be taken at all meeting of Members. Copies of the minutes shall be available for inspection at the office of the Association by Members and Directors at all reasonable times.

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Section 5.10 Voting by Mail. When Directors are to be elected or any other matter is submitted to a vote of the Members, such vote may be conducted by mail in such manner as the Board of Directors shall determine. In the event that a vote is taken by mail, the return of ballots by fifty-one percent (51%) of Members entitled to vote shall validate the vote and satisfy any quorum requirement. Unless otherwise required by statute, the Declaration or these Bylaws, a majority vote of those voting by mail shall be sufficient to elect Directors or carry a matter put to such a vote.

Section 5.11 Noncumulative Voting. All voting shall be done on a noncumulative basis.

ARTICLE VI BOARD OF DIRECTORS

Section 6.1 Powers and Duties. The affairs of the Association shall be managed by its Board of Directors. The Board shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things that are not required by the Declaration, statute or these Bylaws to be exercised or done by the Members. In addition to the powers and duties granted and imposed by statute and the Governing Documents, the powers and duties of the Board of Directors shall include, but are not limited to, the following:

- (A) Open bank accounts on behalf of the Association and designate the signatories thereon;
- (B) To accept such properties, improvements, rights, and interests as may be conveyed, leased, assigned, or transferred to the Association;
- (C) To own, maintain and otherwise manage all of the Common Area and all facilities, improvements, and landscaping thereon; to pay all taxes and assessments, if any, which may properly be levied against the Common Area; to repair, rehabilitate, and restore the Common Area; and to insure the Common Area against such risks as the Board of Directors shall determine in accordance with the Governing Documents;
- (D) To own, maintain, manage, lease, sell or otherwise dispose of any personal and real property acquired by the Association in lieu of foreclosure or trustee's sale or through attachment, foreclosure, Sheriff's sale, Trustee's sale, tax sale, redemption or any other judicial, quasi-judicial, bankruptcy or regulatory action and all facilities, structures, buildings, fixtures, landscaping and other improvements located thereon; to pay all taxes and assessments, if any, which may properly be levied against such property; to repair, rehabilitate, and restore such property; and to insure such property against such risks as the Board of Directors shall determine;
- (E) To purchase, lease, acquire, own, maintain, manage, sell or otherwise dispose of Association Property; to pay all taxes and assessments, if any, which may properly be levied against Association Property; and to insure Association Property against such risks as the Board of Directors shall determine;
- (F) To manage, maintain, repair and replace the lawn and Association-planted trees located on those portions of Lots lying between the front of the Residential Unit and the adjacent street;
- (G) To do all things necessary to carry out and enforce the terms and provisions of the Governing Documents and to do all things and acts, including the payment of all maintenance, operating and other costs, which

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in the sole discretion of its Board of Directors shall be deemed to be in the best interest of the Members of the Association or for the peace, comfort, safety, or general welfare of the Members of the Association, all in accordance with the Governing Documents;

- (H) To enter into agreements with third parties authorizing such parties to carry on any activities which might legally be carried on by the Association and delegated by the Association to third parties;
- (I) To engage the services of a manager or managing agent who shall manage and operate the Property for all of the Members upon such terms, for such compensation and with such authority as the Board of Directors may approve;
- (J) To appoint committees of the Board of Directors and to delegate to such committees the authority to carry out certain duties of the Board of Directors, to the extent permitted by statute and the Governing Documents and law;
- (K) To estimate the amount of the annual budget, to provide the manner and time of assessing and collecting from the owners the Assessments provided for in the Governing Documents;
- (L) To promulgate such rules and regulations pertaining to the use and occupancy of the Property and the personal conduct of the Members and their family members, guests, lessees and invitees thereon as may be deemed proper and which are consistent with the Declaration;
- (M) To enforce, by suit or otherwise, the terms and provisions of the Governing Documents;
- (N) To establish and maintain working capital, reserve and contingency accounts in an amount to be determined by the Board of Directors;
- (O) To lend or invest its working capital and reserves with or without security;
- (P) To fix and collect fees, rates, rentals and other charges for the use of Common Areas, for the use of other property owned by the Association, and for services rendered by the Association;
- (Q) To obtain, for the benefit of all of the Property, all water, sewerage, gas and electric services and refuse collections, and to grant easements when necessary for utilities, sewer facilities and CATV over the Property;
- (R) To enter into agreements with the owners of property riot within the Project whereby such owners shall contribute to the payment of construction, maintenance and reconstruction expenses, taxes, insurance and other charges attributable to portions of the Common Areas which may directly or indirectly benefit such Parcels;
- (S) Levy and collect Assessments as provided in the Declaration;
- (T) To establish, levy, collect and enforce by any lawful means a schedule of fines, penalties, transfer fees, refinance fees, administrative charges, late charges, interest, and costs of collection;

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- (U) To do all other acts and things required by applicable law or statute or authorized in the Declaration but not explicitly set out above;
- (V) In general to do and perform such acts and things and to transact such business in connection with the foregoing objects and purposes as may be necessary or appropriate.

Section 6.2 Number and Qualifications of Directors. The number of Directors of the Association shall be not less than three (3) nor more than seven (7) as determined by the Board of Directors. If the number of Directors is reduced, all Directors whose terms have not yet expired and who are in good standing shall be allowed to serve the balance of their terms. All Directors must be Members in good standing of the Association in accordance with the provisions of Section 4.3, but need not be residents of the State of Arizona. If an Owner is a corporation, partnership or trust, an officer, partner, trustee or beneficiary of such owner may serve as a Director. If a Director shall fail to meet the qualifications of good standing or Membership at any time during his term, he or she will thereupon cease to be a Director and his or her place on the Board shall be deemed vacant.

Section 6.3 Terms and Term Limitation. Directors shall be elected and serve according to motions approved at annual meeting of March 1, 1997 and amended at annual meeting of March 6, 1998 as follows:

Motion of March 1, 1997

President	2 Year term
Vice President	1 Year term
Sec./Treasurer	2 Year term
Directors	3 Year term
	1 Year term

As Amended March 6, 1998 To reestablish continuity and prevent a tie breaker, Director Dzierzanowski made the motion to reelect a President to serve a 2 year term, Vice President to serve a 1 year term, Secretary to serve a 2 year term, Director to serve a 3 year term, director to serve a 1 year term.

Section 6.4 Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than this bylaw, immediately after, and at the same place as, the annual meeting of Members. The Board of Directors may provide by resolution the time and place for additional regular meetings of the Board.

Section 6.5 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any convenient place and time as the place and time for holding any special meeting of the Board of Directors called by them.

Section 6.6 Teleconference Meetings. Meetings of the Board of Directors may be held by conference telephone or other similar communications equipment by means of which all personas participating in the meeting can hear each other, and participation at such meeting shall constitute presence in person at the meeting.

Section 6.7 Notice. Notice of any special meeting of the Board of Directors shall be given to Directors at least three (3) days prior thereto by written notice delivered personally or sent by mail or facsimile to each Director at his address or facsimile number as shown on the records of the Association. If mailed, such notice