

SunBird Golf Resort
Homeowner's Association, Inc.

Book of Policies

December 2018

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Policy # 1
Architectural Control Committee Fine Flexibility

The Architectural Control Committee (ACC) shall have the authority to be flexible in assessing fines up to \$500 and/or waiving fines for the failure to obtain written ACC approval as required *before* the commencement of work requiring their approval.

The ACC may require that non-compliant work be brought into conformity to the ACC guidelines with the time specified by the ACC Committee or the Board of Directors. If compliance is not met within the specified time frame an additional fine of up to \$25.00 per day may be applicable until compliance is met

Policy # 2
Board Vacancy Appointment

If a vacancy on the Board of Directors occurs, notice of the vacancy shall be published in SunBird's official publication, inviting those interested in serving on the Board to submit a resume (150 words or less) by a designated date. The Board will review the resumes and may conduct personal interviews if they deem it necessary. A majority vote of the Board shall determine the successor director who shall serve until the next general election. If the vacancy occurs less than six (6) months before the next general election, the vacancy need not be filled.

Policy # 3
Attorney Use

To establish order and minimize unnecessary use of the official attorney representing the SunBird Golf Resort Homeowners Association, the following restrictions shall apply to all members of the SunBird Golf Resort Homeowners Association, Board of Directors and Management staff.

The General Manager may use the attorney for delinquency inquiries and updates, clarification on current or amended Federal, State and Local laws, and other daily operative concerns. The General Manager shall maintain a record of all attorney correspondence and maintain a record of the date, time, and nature of contacts with the attorney.

Directors, Committee Chairpersons or members, or any homeowner shall submit all questionable issues or proposals requiring the use of the "official attorney" to the General Manager. Directors, Committee Chairpersons or member, or any homeowner shall not contact the attorney without prior approval of the Board of Directors.

Policy # 4
Board Meeting Attendance

If a Board member should miss two (2) regularly scheduled Board meetings without having requested to be excused in advance, the chairperson of the Board will convene an Executive Board session to ascertain what the problem is and to recommend a solution.

Policy # 5
Board of Director/Committee Relationship

The SBGRHOA has several committees with different charter of responsibility to assist and support the Board of Directors. One of the purposes of the committees is to allow the membership opportunities to research and make formal recommendations of improvement to the Board of Directors. Once a committee recommendation has been formally presented to the Board of Directors, Directors can discuss, modify and vote on these recommendations.

A member of the Board of Directors may attend but shall not participate in committee meetings except for the appointed Board of Director Liaison assigned to that specific committee. The Board member wishing to attend a Committee meeting should coordinate with the Board Liaison of that committee regarding their attendance. The Board of Director Liaison shall only act as a source for information concerning committee functions and shall not influence or manipulate discussions or recommendations of the committee. Board Liaison may vote at committee meetings to break any voting ties.

The two (2) exceptions to this policy are:

1. The Architectural Control Committee (ACC). In accordance with SBGRHOA's revised CC&R's Article 3.1 the Chairperson of the Architectural Control Committee will be a Board member.
2. The Finance Committee. If the quorum requirement is not met at a Finance Committee meeting, the Treasurer of the Board of Directors may be considered a voting member and vote at the meeting in question.

Policy # 6
Board of Director Communication Policy

Be it resolved and made part of the Book of Governance of this Corporation that no member of the Board of Directors of the SunBird Golf Resort Homeowners Association may without the approval of a majority of the Board of Directors:

1. Contact any City, County or State officer or employee about any matter in which SBGRHOA has an interest, or
2. Contact any corporate or company officer or employee about any matter in which SBGRHOA has an interest.

Policy # 7 Budget

Management with Staff input will develop a Budget for the forth-coming year to be presented to the Finance Committee for their review and input. The Finance Committee will analyze the Budget and make corrections or recommendations to the HOA Board of Directors. The HOA Board then will study and discuss the budget and may make final revisions to be approved by the majority of the HOA Board. Once the HOA Board approves this Budget, it shall remain in effect for the entire year without any changes. It is recognized that the actual income and expense may differ from the specific line items however; efforts should be made to keep all line items as close to the Operational Budget as possible.

Policy # 8 Capital Improvements Fund and Account

The purpose of the Capital Improvement Fund and Account is to accumulate funds for Capital Improvement Projects. Capital Improvement Projects are those projects that through addition or restoration of current assets, will either enhance the assets value or increase the life cycle of the assets. Capital Improvement projects shall be supported by the Reserve Fund, which shall be adjusted from time to time to support the asset.

The primary funding of this account is derived from The Capital Contribution Fee from home sales. The Board of Directors shall have the option of adjusting the allocations to the Capital Improvement Fund, Reserve Account, and Special Projects based upon need and timing.

All Capital Improvement projects recommended by the Project Review and Long Range Planning Committee shall be submitted for approval by the Board of Directors, subject to funds being available. All funds associated with the Capital Improvement Funding shall be deposited in separate accounts to maximize the return, with FDIC insured institutions.

Policy # 9 Contingency Fund

The Board of Directors may establish a Contingency Fund which may be funded at the discretion of the Board. The Contingency Fund balance may roll over into the following year or can be used at any time for unforeseen expenses, short falls in operations, and/or transferred into the reserve, capital improvement or special project funds if approved by the Board of Directors. Fund not to exceed \$150,000.00

Policy #10 Collections

The Annual Assessment is collected in two parts semi-annually with the first installment due January 1 and second installment due July 1. Pursuant to the ARS 33-1803 and the SunBird Golf Resort Declaration of Restrictions Article 6.4 a 10% penalty charge of the delinquent assessment and the delinquent sums shall also bear interest at the rate of 18% per annum from the date of such delinquency until paid. All delinquent accounts shall be notified pursuant to the following schedule:

First Notice:

- ✓ Mailed 15 days after the due date.
- ✓ No penalties or interest posted.
- ✓ 10 days to remit payment.

Second Notice:

- ✓ Mailed 10 days after the date of the First Notice.
- ✓ 10% penalty and accrued 18% interest.
- ✓ Warning of suspension of privileges.
- ✓ 15 days to remit payment.

Third Notice:

- ✓ Mailed 15 days after the date of the Second Notice.
- ✓ 18% interest accruing.
- ✓ Suspension from the use of all HOA facilities.
- ✓ Warning and turn off vehicle entry gate remote control.
- ✓ Warning of a lien and attorney.

Demand Notice:

- ✓ Mailed 15 days after the date of the Third Notice.
- ✓ Seek a Civil Judgment so that a lien may be filed.
- ✓ If an Attorney is used, all legal fees may be assessed against the account.
- ✓ Interest continues to accrue.

Statement Notices:

- ✓ Notifying of past due account and updated balance.

The Board of Directors may in their sole discretion determine what, if any, further legal action is necessary including but not limited to other Demand Notices or other legal action to collect past delinquent accounts.

Policy # 11 Committees

The purpose of a Committee is to assist and support the Board of Directors. Each Committee shall have a charter and will be assigned specific duties from time to time for research and input from the committee members and community.

The Committee Chairperson and Assistant Chairperson shall be selected by the respective Committee (except for the Architectural Control Committee (ACC)) and names submitted to the Board of Directors for approval. The ACC Chairperson shall be a member of the Board of Directors as appointed by the Board of Directors annually. The term of the Chairperson (excluding the ACC Chairperson) shall be two (2) years from the date of approval by the Board.

Committee membership is open to all SunBird Homeowners in good standing. Two homeowners residing at the same residence may not serve on the same committee. Homeowners may serve on only one committee. Committee meetings are open to all SunBird homeowners. Meeting dates and times shall be posted in the clubhouse.

A SunBird homeowner in good standing may apply to be a member of any committee by writing a letter to that committee. The committee members would then consider that person as a candidate. The members would then make a recommendation to the SunBird Board of Directors. The SunBird Board of Directors would then vote to accept/reject the candidate. At the end of each years' term, the Board of Directors will review all committee members for further membership.

Members of each Standing or Ad Hoc Committees shall conduct the business of each of their committees in a responsible manner and are bound to the same ethics as Board Members as outlined in the "Book of Governance".

The Chairperson shall be responsible for conducting and presiding at committee meetings and may appoint other members to conduct said meeting in his/her absence. The Chairperson or designated member shall be the spokesperson for the committee.

The Chairperson may make recommendations to the Board of Directors. Recommendations must first be presented at the Board of Directors Agenda Planning Meeting to be considered. Recommendations must be in writing and include all information related (benefits, concerns, plans, cost, committee consensus and other relevant information).

The Architectural Control and Rules Committees may make decisions as permitted in their respective Charters and/or SunBird's CC&R's.

Minutes of each meeting shall be maintained and copies distributed to the Board of Directors, the General Manager and filed in the Committee Minutes Book monthly.

A Committee Chairperson or a designated member, may but is not obligated, to make reports at the Agenda Planning Meetings if such a request is submitted to the Board of Directors three (3) days prior to such meeting.

Policy # 12 Election Procedures

The Bylaws, Article V, Elections sections 1-4 specify requirements for the Board of Directors concerning elections.

- ✓ Election committee shall be appointed by the Board of Directors at the May HOA meeting and have not less than three regular members of the Association who are in good standing.
- ✓ Interested Candidates must submit an application to the Election Committee by no later than the last business day of September.
- ✓ Election Committee to submit names of candidates to the Board of Directors by the October Business Meeting.
- ✓ Ballots shall be mailed by the first Monday in November.
- ✓ Election deadline to be December 15 or the first Monday following if the 15th falls on a weekend.
- ✓ Tally Ballots December 16, or the day after deadline and notify newly elected candidates and post results.
- ✓ New elected or reelected Directors will assume office January 1.

Policy # 13 Food And Beverage Operation Subsidization

The Food and Beverage Operation is an integral part of life for the residents at the SunBird Golf Resort Incorporated. It provides a gathering place for residents and their

guests to come together to eat, drink and socialize in a friendly atmosphere.

While it's desirable that the operation should either make a small profit or break even with regard to revenue that is not its primary goal which justifies its continued operation. The goal remains to serve as a focal point for those residents who so desire to be afforded a welcoming place in which to enjoy to the fullest a resort lifestyle.

Therefore, it is the continuing policy of the H.O.A. Board of Directors that with management controls in place protecting against waste and imprudent operations practices the Food and Beverage Operation will be subsidized, if needed, by the H.O.A. funds to the extent required to insure its continued operation.

Policy # 14 Guns

SunBird Golf Resort Homeowners Association employees are not permitted to carry or bring guns (including concealed weapons) of any kind while working on paid shifts on SunBird premises.

When observing suspicious activity, Patrol should contact the Police Department and stay away from any confrontational situations.

The SunBird Patrol is a visual deterrent to crime and should not get physically involved in enforcing laws.

Policy # 15 Hearings for Rules Violations

The Rules Compliance Committee hears aggrieved homeowners in matters involving alleged violations of rules. The Committee decisions not involving monetary fines (i.e. ACC modification approval or disapproval decisions) are final and the only recourse for appeal is directly to the Board of Directors.

Policy # 16 Investing

The Treasurer and the General Manager have been authorized by the Board of Directors to invest the SBGRHOA's funds into various FDIC insured CD accounts for different lengths of time to maximize interest adhering to all Federal Regulations regarding maximum amount in each account.

Policy # 17

Meeting Agenda Items

The Board of Directors may submit meeting agenda items one (1) week prior to the scheduled meeting to the SunBird Administrative Offices or to the Board of Director's President. The Board and the General Manager may review the requested items and determine whether they should be addressed as a matter of the Board or as information in the management report or be referred to a committee for research.

A Homeowner in good standing may also appear for the purpose of requesting an item to put on the agenda. While Board members are encouraged to attend the agenda planning meetings attendance is not mandatory.

Policy # 18

Reserve Fund

The HOA Board shall maintain a Reserve Fund Account and adopt a Funding Policy and a yearly Replacement Schedule. These funds shall be deposited in a separate account with a FDIC insured institution and invested in different CD accounts at different terms to maximize interest. The schedule will specify what items should be refurbished or replaced and when this should happen. The schedule would also outline the anticipated cost so a funding plan of each of these items can be met. Repairs and replacement items are major assets that the HOA is obligated to maintain or purchase.

Definition: To hold back and to set apart funds for future major asset replacement and repair.

Purpose:

1. To provide adequate cash flow for anticipated inevitable repairs and replacements the association is obligated to maintain over a 30 year period.
2. Distribute reserve contributions as accurately as possible over current and future owners.
3. Provide ongoing budget stability.
4. Gradually move toward 100% funding.
5. Replacement of major asset components which the association is obligated to maintain or purchase with a useful life of three years or more.

Routine maintenance and replacement expense of Sunbird roads shall be funded from the Reserve Fund Account as per the road maintenance projected expense report. As a result of increased expense in the Reserve Fund Account is to be determined by the Board.

Policy # 19
Resale Disclosure Statement and Contribution

The Resale Disclosure Fee shall be \$400. A contribution to the Capital Improvement Fund shall be paid for by all buyers of a home in SunBird as approved the Board which may be reviewed and revised on a periodic basis.

Policy # 20
Special Projects and Funding

Special Projects are those projects that will enhance the community either by addition or modification of existing assets that provide a benefit to the community. Special Projects are projects that will be supported by normal maintenance funding and shall not be integrated into the Reserve Fund for long term repair or replacement.

All Special Project recommendations shall be submitted to the Project Review and Long Range Planning Committee. Special Projects approved by the Project Review and Long Range Planning Committee shall be submitted to the Board for approval. The Board shall have the authority to prioritize Special Projects based upon need, timing and the availability of funds.

The Board, at the initiation of the next years' budget, shall assign either the dollar amount or a percentage of the Capital Contribution Fee to the Special Project Fund.

Policy # 21
Spending Limitations

Whenever the Board of Directors is considering an immediate capital improvement, currently funded or not funded, from the capital improvement account and is greater than 15% of the previous year's audited annual revenue, the project shall be submitted to the entire membership for vote by mail in ballot.

Policy # 22
Storing Vehicles

The Board of Directors has been given authority under the Declaration of Restrictions to determine what constitutes a nuisance.

Storing any vehicle including golf carts whether covered or not, operative or not, on any driveway or lot within SunBird constitutes a nuisance under 2.14 of the CC&R's.

Nothing herein shall prohibit storing vehicles under the carport or in a garage.

Policy # 23
SunBird News Articles

The SunBird News monthly newspaper articles and announcements must be digitally submitted to the SunBird office no later than the 5th day of each month (if the 5th is on the weekend, it will be due on the last business day of the preceding week). For details contact the Activities Director. Upon receiving and compiling all articles submitted, the Board of Directors will have the option to review and edit before submitting to Robson Publishing.

Policy #24
Financial Records Storage

Financial records of SunBird shall be stored for at least seven years. After seven years all financial records may be properly destroyed except for the following; 1) annual audit report; 2) annual federal and state tax returns; and 3) year ending profit and loss report.