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Via U.S. Mail

Hangar (Unit) Owners
SkyRanch Aircraft Storage Condominium Association

Re: Proposed Second Amended and Restated Declaration

Dear Unit Owners:

Your Board of Directors, working with our firm, has been working on amending and restating the SkyRanch Aircraft Storage Condominium Amended and Restated Declaration of Covenants, Conditions and Restrictions (“Declaration”). The primary purposes of these changes are to bring the Declaration in line with the law and to suggest additional changes to help the Association operate more smoothly and effectively.

Summary of Changes

The following is a list of the major proposed changes to the Declaration, separated by type of change. Please note that, unless otherwise noted, section numbers reference the proposed Second Amended and Restated Declaration. For a complete showing of the proposed changes, please see the proposed Second Amended and Restated Declaration.

Updated Provisions to Comply with the Law:

1. Added a reference to the Condominium Act regarding reallocation of Limited Common Elements (Art. 2, Sect. 2.5).
2. Added a provision regarding limitation of director liability in accordance with the Arizona nonprofit corporation act (Art. 4, Sect. 4.6.1).
3. Simplified the provision regarding directors’ conflict of interest transactions to refer to the Arizona nonprofit corporation act (Art. 4, Sect. 4.9).
4. Added a provision regarding the borrowing power of the Association to comply with the Condominium Act (Art. 4, Sect. 4.10).

5. Added a provision stating that any common expenses benefitting fewer than all of the Units may be assessed only to those Units benefitted, as permitted by the Condominium Act (Art. 5, Sect. 5.2.3).
6. Removed fines from the types of costs secured by the enforcement assessment, as the Condominium Act states that fines are not secured by the assessment lien (Art. 5, Sect. 5.6).
7. Added a reference to the Condominium Act provisions regarding application of proceeds upon foreclosure of a Unit (Art. 5, Sect. 5.8.4).
8. Removed the provision providing that the Association only has a judgment lien for some assessments, as the Condominium Act creates an assessment lien and states that it is perfected upon the recording of the Declaration (old Art. 7, old Sect. 7.8.6).
9. Updated the provision regarding certificate of payment of assessments to match the Condominium Act (Art. 5, Sect. 5.9).
10. Simplified and updated the provision regarding receipt and use of insurance proceeds to refer to the Condominium Act provisions governing same (Art. 7, Sect. 7.8; Art. 8).
11. Updated the provision regarding information related to leases provided by Owners to the Association to more closely match the Condominium Act (Art. 10, Sect. 10.2).
12. Updated signage restrictions to reflect restrictions in the Condominium Act (Art. 10, Sect. 10.7).
13. Updated and clarified restrictions governing satellite dishes and antennae to comply with federal law (Art. 10, Sect. 10.9).
14. Updated the provision regarding amendments to more closely match the requirements of the Condominium Act (Art. 12, Sect. 12.3).
15. Updated the provision on the rule against perpetuities to refer to the Condominium Act (Art. 12, Sect. 12.6).

Updated Provisions to Help the Association Operate More Smoothly:

1. Added a definition of “Visible From Neighboring Property” to assist in reference to restrictions throughout the second amended and restated Declaration (Art. 1, Sect. 1.43).
2. Added a provision regarding the ability to split a Hangar Unit that is a combination of airplane hangar and storage space, to help address the split of Units C9, D1, and D8, and to allow future splits of similarly-situated Hangar Units (Art. 2, Sect. 2.7).
3. Consolidated and organized provisions regarding easements (Art. 3).
4. Updated provisions regarding the purpose of the Association (Art. 4, Sect. 4.1).
5. Updated provisions regarding the powers of the Board (Art. 4, Sect. 4.2).
6. Updated the provision regarding suspension of voting rights (Art. 4, Sect. 4.4.3).
7. Updated the provision regarding the Board’s authority to adopt rules (Art. 4, Sect. 4.5).
8. Simplified the provisions regarding enforcement assessments (Art. 5, Sect. 5.6).
9. Organized and expanded upon the provisions regarding the Association’s and Owners’ maintenance responsibilities (Art. 6, Sects. 6.1 and 6.2).
10. Added a provision regarding the Association’s options in the instance an Owner fails to make repairs for which they are responsible (Art. 6, Sect. 6.4).
11. Organized and consolidated provisions regarding insurance (Art. 7).
12. Simplified and updated provisions regarding taking of all or a portion of the condominium by eminent domain (Art. 9).

13. Updated and expanded upon the provision regarding nuisances (Art. 10, Sect. 10.4).
14. Organized the provisions regarding modifications, alterations, and architectural control (Art. 11).
15. Updated the provision regarding enforcement and remedies (Art. 12, Sect. 12.2).
16. Added a provision allowing the Association to record a notice of violation against a Unit (Art. 12, Sect. 12.2.1).
17. Added a provision regarding the Board's right, but not obligation, to take enforcement action (Art. 12, Sect. 12.2.4).
18. Updated the provision regarding amendments to remove the requirement of notarized (acknowledged) signatures of Owners (Art. 12, Sect. 12.3).
19. Gave the board the authority to interpret and construe the Declaration provisions, absent judicial interpretation to the contrary (Art. 12, Sect. 12.11).
20. Added a provision providing that the Association's legal fees may be paid for administrative and legal proceedings (Art. 12, Sect. 12.14).
21. Updated Exhibit "B" showing Unit numbers, allocation of Common Element interest, and votes, to reflect the splits of Units C9, D1, and D8.

Approval Process

Copies of the proposed Second Amended and Restated Declaration (in both clean and redlined forms) can be found on the Association's website: [website address]. The Association will be discussing the proposed Second Amended and Restated Declaration at the upcoming annual meeting of the Members to be held in February 2020. You may approve the proposed changes with the enclosed written consent, by returning it according to the instructions on the written consent. Additionally, an absentee ballot will be sent to you at a future date and you will also have the opportunity to vote in person at a meeting of the Members. Please note your signature must be notarized to be counted. If you have any questions about the amendments to the Declaration, or if you are unable to obtain copies of the proposed Second Amended and Restated Declaration from the Association website, please contact [name(s) and contact information].

Thank you, in advance, for your participation in this matter.

Sincerely,

Adrienne A. Speas

Enclosure:

(1) Written Consent