

Operating Agreement

1. **PURPOSE:** This OPERATING AGREEMENT supplements the Declaration of Covenants, Conditions & Restrictions recorded at Docket 10830, Page 915, July 2, 1998, Pima County, Arizona, and replaces the original Operating Agreement signed by the Statutory Agent, Timothy R. Blowers.
2. **MANAGEMENT:** Normal day-to-day management of the LLC will be carried out by one or more of the managing members. Managing members are currently set at five.
3. **SEMIANNUAL MEETINGS:** In March or April, and again in September or October, a semiannual membership meeting shall take place and members shall be notified by phone, fax, email, or preferably, regular postal mail at least ten days prior to each semiannual meeting as to its time and place. The first such semiannual meeting shall take place in September or October of CY2008. During the spring semiannual meeting the managing members shall review activities from the previous semiannual meeting (or in the case of the first semiannual meeting, from the previous annual meeting), review the ongoing budget, and raise any substantive issues which should be the purview of the entire membership to discuss and vote upon. For voting purposes, a quorum shall be established with a minimum of 50% of total eligible voting shares present in person or by proxy. Eligibility is determined by members being current on assessments.
4. **ELECTION OF MANAGERS:** Members current in assessments may nominate themselves or be nominated by others, including by the current managers. Managers shall insure at least five candidates are proposed to the membership by mail at least 10 days prior to the annual meeting. Voting shall be by secret ballot, with at least two Electors appointed during the meeting to count the ballots and attest to the result. After the election the Electors shall destroy the ballots. Each voting share must be current on assessments due and each voting share may vote for up to five candidates. Members having more than one share shall confirm the number of shares being voted with an Elector. The managers shall be those receiving the five highest totals of votes cast.
5. **SPECIAL MEETINGS:** A special meeting of the members shall be convened in the manner specified in Paragraph 3 should a special meeting be called for by at least three managers, or 25% of the eligible membership voting shares. Such special meeting shall operate under the same requirement of Paragraph 3 and, if necessary, Paragraph 4.
6. **DUTIES OF MANAGERS:** The managers shall be responsible for the day-to-day management of Flying Diamond Airpark LLC. Each manager is empowered to make decisions and to cause expenditure of funds within the calendar year's programmed budget. Should an expense item exceed the programmed budget, at least two of the managers must approve the item. Should an un-

programmed expenditure exceed \$1,000.00, or should the expenditure exceed the annual programmed budget, not including reserves, a special meeting shall be called to approve the expenditure, or absentee ballots may be used.

7. COLLECTION OF ASSESSMENTS AND CC&R VIOLATION FINES: The managers shall determine among themselves who shall be responsible to maintain the LLC's bank account, to notify members of assessments, and to insure assessments are collected and deposited. Assessments shall be due on January 1st of each calendar year and delinquent on the following February 1st, unless the membership has approved a different payment schedule. Delinquent assessments (or multiples thereof in case of more than one voting share) shall incur a late fee of 10% and an additional \$50.00 for every six months of delinquency thereafter. Managing members may file a lien at their discretion on properties delinquent beyond 90 days. Managing members may at their discretion impose a fine of \$10.00 per day penalty on CC&R violation(s) until the violation(s) is/are corrected. All books kept by the Airpark LLC shall be open to inspection by any member.
8. REPLACEMENT OF MANAGERS: Managers shall normally be elected at the spring semiannual meeting, and serve until the following spring semiannual meeting, at which time elections shall be open to all members' current in assessments. Exception: The managers elected at the 2008 Annual membership meeting shall serve until the 2009 spring semiannual membership meeting. Managers may also be replaced through action taken through a special meeting called in accordance with Paragraph 5. Should a manager resign, become incapacitated, or in any way be unable to perform his or her office, the remaining managers may mutually agree on a replacement from among those members current in assessments.
9. AMENDMENTS TO THE OPERATING AGREEMENT: This Operating Agreement may be amended only by securing the approval in writing of at least 67% of the total number of membership shares which are current in assessments, or at an annual or special meeting, provided a valid quorum is present and at least 67% of the shares represented and current in assessments agree.

THIS OPERATING AGREEMENT has been amended in accordance with the provisions of the Operating Agreement originally put in effect by Timothy R. Blowers, Statutory Agent.

SIGNED BY LOU COOK, Statutory Agent

January 5, 2008