SUNAIR ELECTRONICS INC

Form 4

February 17, 2005

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB Number:

3235-0287

0.5

Check this box

if no longer subject to Section 16. Form 4 or

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

January 31, Expires: 2005 Estimated average

10% Owner

OMB APPROVAL

burden hours per response...

Form 5 obligations may continue.

See Instruction

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section

30(h) of the Investment Company Act of 1940

2. Issuer Name and Ticker or Trading

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person * **BUDDE HENRY A**

(First)

(Street)

(Middle)

5. Relationship of Reporting Person(s) to Issuer

Symbol

SUNAIR ELECTRONICS INC

[SNR]

(Check all applicable)

SUNAIR ELECTRONICS.

3. Date of Earliest Transaction

X_ Officer (give title Other (specify below) below)

02/08/2005

(Month/Day/Year)

V.P. Operations - Comm. Div.

INC., 3005 S.W. THIRD AVENUE

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check Applicable Line)

Director

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

FORT LAUDERDALE, FL 33315

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

(Month/Day/Year) Execution Date, if

2. Transaction Date 2A. Deemed

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Beneficial Ownership Indirect (I) (Instr. 4) (Instr. 4)

(A) or

Reported Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

500 D

Common Stock

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options	\$ 13.78	02/08/2005		A	40,000	03/08/2005	02/08/2013	Common Stock	40,000

Reporting Owners

Reporting Owner Name / Address	Relationships						
2	Director	10% Owner	Officer	Other			
BUDDE HENRY A			V.P.				
SUNAIR ELECTRONICS, INC.			, ,				
3005 S.W. THIRD AVENUE		Operations -					
FORT LAUDERDALE, FL 33315			Comm. Div.				

Signatures

/s/ Henry A.

Budde

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

The Reporting Person entered into a two-year employment agreement with Sunair, effective February 8, 2005, pursuant to which the Reporting Person was issued options to purchase 40,000 shares of Sunair's common stock under Sunair's 2004 Stock Incentive Plan (the "Plan"), which such Plan was approved at Sunair's annual meeting of shareholders held on February 4, 2005. The exercise price of the options is equal to the last sales price reported for Sunair's common stock on the day prior to the date of the grant, in accordance with the Plan. Such options will vest at a rate of 1,666 per full month of employment, except that at the end of two years, all remaining options will vest and become exercisable.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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