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Bylaws

ARROYO ROBLE RESORT COUNCIL OF CO-OWNERS, INC.

ARTICLE 1

DEFINITIONS

All terms herein shall be defined as provided in Arizona Revised Statutes § 33-551, unless defined otherwise in the amended Declaration of Horizontal Property Regime (hereinafter Declaration) or in these Bylaws, or unless the context requires otherwise.

ARTICLE 2

FUNCTIONS OF THE COUNCIL OF CO-OWNERS

SECTION 1. The Council is to act as a "management body" for the operation, preservation, maintenance, architectural control and improvement of the Common Elements which comprise ARROYO ROBLE RESORT in Sedona, Arizona. The Council is subject to the limitations, covenants, conditions, restrictions, terms and provisions of the Declaration.

SECTION 2. Pursuant to the provisions of the Declaration, it shall be the duty of the Board of Directors acting on behalf of the Council to fix, alter, collect and enforce assessments upon Owners. Each Owner shall be liable to the Council for the assessments levied upon such Owner's Unit or Interval Unit under the provisions of the Declaration.

SECTION 3. The Board of Directors shall have the power to exercise any right, power or purpose set forth expressly or by reasonable implication in the Declaration, the Articles of Incorporation or these Bylaws.

ARTICLE 3

MEMBERS' MEETINGS

SECTION 1. The first annual meeting of the Members shall be held within thirteen (13) months following the sale and conveyance by Developer of the first Unit or Interval Unit to a purchaser other than Developer.

Annual meetings of the Members shall be held on the first Monday in June.

If any annual meeting of the Members shall fall upon

a Sunday or bank holiday, the same shall, instead, be held on the next following business day.

SECTION 2. Special meetings of the Members (i) may be called by the President and (ii) shall be called by the President upon written demand therefor signed by Members entitled to cast at least ten percent (10%) of the outstanding votes, and delivered to the President at least twenty (20) days prior to the date specified in the request for such special meeting. No special meeting of the Members shall be called for a Sunday or a holiday.

Service of said demand shall be complete upon personal delivery thereof or forty-eight (48) hours after deposit thereof in the United States mail, postage prepaid, addressed to the President at his last known residence address.

SECTION 3. Because of the expense involved, no Interval Owner shall be entitled to service of notice of any meeting, except that notice of the time and date of meetings shall be posted in the on-site office of the Council or Manager. Owners of Units not divided in time may be notified of meetings in any manner, including delivery of notice to the Unit. Any Interval Owners shall be entitled to, and may obtain notice of meetings by written demand therefor accompanied by one stamped, self-addressed envelope for each notice requested. Such notices shall specify a reasonable time, date and place in Sedona, Arizona, for such meeting and, in the case of a special meeting, the general nature of the business to be transacted. Record Date Members shall be, with respect to any meeting, those persons who, as of 5:00 p.m. of the twentieth (20th) day prior to such meeting, are Members. If at a meeting adjournment is taken, the Record Date Members for the adjourned meeting shall be the same as those for the meeting at which the adjournment was taken, unless the adjournment or adjournments exceed 30 days in the aggregate.

SECTION 4. The presence in person or by proxy of ten percent (10%) of the votes entitled to be cast by Record Date Members shall constitute a quorum (or the transacting of business. If any meeting cannot be held because a quorum is not present, the Record Date Members present either in person or by proxy may adjourn said meeting to a time not less than twenty-four (24) hours, nor more than forty-eight (48) hours from the time the original meeting was called; at said subsequent adjourned meeting the presence in person or by proxy of five percent (5%) of the votes entitled to be cast by Record Date Members shall constitute a quorum for the transaction of business. Notice of the reconvened meeting need not be given. In the event a quorum is not present in person or by proxy at the subsequent adjourned meeting, the Board shall be fully empowered to act on behalf of the members and take

any action which could be taken by a quorum of the Members. No further attempt shall be made to obtain a quorum until the next annual or special meeting.

ARTICLE 4

VOTING RIGHTS

SECTION 1.

(a) On all matters a Member shall have one vote for each Interval Unit owned and the majority of votes cast, except for election and removal of directors, shall determine the issue. Each Member entitled to vote shall have the right, in the election of directors, to cumulate his votes.

(b) If more than one person holds an interest in any Unit or Interval Unit all such persons shall be Members. The vote for such Interval Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Interval Unit and fractional votes shall not be allowed. In the event more than one vote is cast for an Interval Unit, none of the votes for such Interval Unit shall be counted and said votes shall be deemed void, unless Arizona statutes require otherwise.

(c) All Owners shall be entitled to fifty-one (51) votes for each Unit owned which is not divided in time. All fifty-one (51) votes shall be cast as a bloc, and the provisions set forth in paragraph (b) above shall pertain to the bloc of fifty-one (51) votes as though said votes were a single vote.

(d) Notwithstanding the foregoing, in the event Units or Interval Units are brought within the Covered Property, the undivided fractional interest of which are determined pursuant to Article I, Section 3(e)(3) of the Declaration of Horizontal Property Regime, each Interval Unit shall be entitled to as many votes as the numerator of the unreduced fractional interest in the common elements for that Unit, as determined by the Declaration. Each such Unit not divided in time shall be entitled to fifty-one (51) times the maximum occupancy for the Unit.

(e) If the Declaration should be amended to permit sale of the 52nd week to individual Owners, each Unit not divided in time shall be entitled to fifty-two (52) votes or 52 times the numerator of the unreduced fractional interest in the common elements, as the case may be.

SECTION 2. Every member entitled to vote or to authorize action may do so either in person or by written proxy filed with the Secretary. Every proxy shall

be revocable. A proxy shall automatically cease upon conveyance by the Member of his Unit or Interval Unit.

ARTICLE 5

ASSESSMENTS

SECTION 1. As more fully provided in the Declaration, each member is obligated to pay to the Council assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within twenty (20) days after the due date, the assessment shall bear interest from the due date at the rate of twenty percent (20%) per annum, until changed, pursuant to the Declaration, and the Council may bring any action at law against the Owner personally obligated to pay the same or foreclose the lien against the property; interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment.

SECTION 2. The Board of Directors, prior to or concurrently with the conveyance of the first Unit or Interval Unit to an Owner, shall establish annual and special assessments to be in effect through the calendar month in which the first annual meeting of the Members is held. Such assessments shall be established by the Board of Directors and shall be made by the Council in an amount sufficient to meet the estimates of management expenses, operating expenses, and maintenance expenses, and all other expenses of the Council. Such annual and special assessments may be imposed in an amount less than that required to meet all of the expenses of the Council provided that Developer agrees to meet any deficit in expenses otherwise payable by the Council for the period ending at the close of the month in which the first annual meeting of the Members is held.

SECTION 3. From the time assessments commence, for any phase of the Covered Property, Developer shall pay no assessment for any Unit owned within that phase, except that during such time as any unsold Unit is inhabited for the benefit of the Developer, Developer shall pay a full assessment. As long as Developer is providing management or other services to the Property, Developer may provide such management or services or both in lieu of assessments, as long as the value of such management or services or both is reasonably calculated to be equal in value to the assessments that would otherwise be paid.

SECTION 4. Subsequent to the first annual meeting of the Members, annual and special assessments

shall be made by the Council in an amount sufficient to meet the Council's estimate of expenses set forth in an operating budget for each fiscal year which shall set forth the anticipated income of the Council and which shall include separate estimates for administrative expenses, operating expenses, maintenance expenses, utilities, hazard insurance, replacement reserve and operating reserves. Such assessments shall be established by the Board of Directors for the balance of the fiscal year in which the first annual meeting of the Members takes place immediately upon the first organizational meeting, and thereafter not less than thirty (30) days prior to the commencement of each fiscal year.

ARTICLE 6

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

SECTION 1. Subject to the limitations of the Articles of Incorporation, of these Bylaws and of the laws of the State of Arizona as to action to be authorized or approved by the Members, all Council powers shall be exercised by or under authority of and the business and affairs of the Council shall be controlled by a Board of Directors who need not be Members of the Council, and such Board shall have authority to delegate its duties.

SECTION 2. While Developer controls the Council, the authorized number of Directors of the Council shall be three (3). Upon transfer of control to the Owners, or sooner, at the option of the Developer, the authorized number of Directors of the Council shall be five (5) until changed by amendment to the Articles of Incorporation or by an amendment to this Section 2, Article 6 of these Bylaws, adopted by the vote or written assent of a majority of the Directors.

SECTION 3. At the first annual meeting after management is transferred to the Owners, the Members shall elect five Directors. Two Directors shall serve a term of three years and three Directors shall serve a term of two years; thereafter, upon the expiration of the terms succeeding Directors shall be elected as necessary to maintain a five member board. Generally, this will require an election each year of two Directors, one to serve a two-year term and one to serve a three-year term.

SECTION 4. Nominations for election of the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the

Council, and any two or more Members of the Council. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members and the Members thereon shall serve from the close of such annual meeting until the close of the next following annual meeting and such appointment(s) shall be announced at each annual meeting. The Nominating Committee shall make as many nominations as it shall in its discretion determine, but such nominations shall be not less than the number of vacancies that are to be filled. Such nominations must be made from among the Members of the Council.

SECTION 5. The entire Board of Directors or any individual Director may be removed from office by a vote of Members holding a majority of the voting power entitled to vote in the election of directors. However, unless the entire Board is removed, an individual Director shall not be removed if the number of votes against the resolution for his removal exceeds the quotient arrived at when the total number of votes entitled to vote is divided by one (1) plus the authorized number of Directors. If any or all Directors are so removed, new Directors may be elected at the same meeting.

SECTION 6.

(a) Vacancies in the Board of Directors may be filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining Director, and each Director so elected shall hold office until his successor is elected at an annual meeting of Members or at a special meeting called for that purpose.

(b) The Members may at any time elect a Director to fill any vacancy not filled by the Directors, and may elect the additional Directors at any time after the amendment of these Bylaws.

(c) A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any Director, or if the Board shall increase the authorized number of Directors but shall fail at the meeting at which such increase is authorized, or at an adjournment thereof, to elect the additional Director(s) so provided for, or in case the Members fail at any time to elect the full number of authorized Directors.

(d) If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board, or the Members, shall have power to elect a successor to take office when the resignation shall become effective.

(e) No reduction of the number of Directors shall have the effect of removing any Director prior to the expiration of his term in office.

SECTION 7. No Director shall receive compensation for any service he may render to the Council. However, any Director may be reimbursed for his actual authorized expenses incurred in the performance of his duties.

ARTICLE 7

BOARD OF DIRECTORS; MEETINGS

SECTION 1. Meetings of the Board of Directors shall be held at the office of the Council, as designated for that purpose from time to time, by resolution of the Board or written consent of all of the members of the Board. Any meeting shall be valid, wherever held, if held by the written consent of all members of the Board, given either before or after the meeting and filed with the Secretary of the Council.

SECTION 2. The organizational meetings of the Board shall be held immediately following the adjournment of the annual meetings of the Members.

SECTION 3. Regular meetings of the Board of Directors shall be held at such time and place as may be agreed upon from time to time by the Board. If said day shall fall upon a holiday, such meetings shall be held on the next succeeding business day thereafter. No notice need be given of such regular meetings, except that a written notice shall be given to each Director of the resolution establishing a regular meeting date, which notice shall set forth the date of the month, the time and the place of the regular meeting.

SECTION 4.

(a) Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President or, if he is absent or unable or refuses to act, by any Vice President or by any two Directors.

(b) Written notices of the time and place of special meetings shall be delivered personally to the Directors or sent to each Director by letter or by telegram, charges prepaid, addressed to him at his address as it is shown on the records of the Council, or if it is not shown on such records or is not readily ascertainable, at the place at which the meetings of the Directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company in the place in which the principal office of the Council is located at least forty-eight (48) hours prior to the time of the holding of the meeting. In

case such notice is delivered as provided above, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided shall be due, legal and personal notice to such Director.

SECTION 5. When all of the Directors are present at any Directors' meeting, however called or noticed, and sign a written consent thereto on the records of such meeting, or, if a majority of the Directors is present, and if those not present sign in writing a waiver of notice of such meeting, which waiver shall be filed with the Secretary of the Council, the transactions thereof are as valid as if a meeting had been regularly called and noticed.

SECTION 6. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned.

SECTION 7. A majority of the number of Directors as fixed by the Articles of Incorporation or by these Bylaws shall be necessary to constitute a quorum for the transacting of business, and the action of a majority of the Directors present at any meeting at which there is a quorum, when duly assembled, is valid as a corporate act; provided that a majority of the Directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business.

SECTION 8. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all of the members of the Board shall individually or collectively consent in writing to such action. Such written consent shall be filed with the Minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such Directors.

ARTICLE 8

BOARD OF DIRECTORS; POWERS AND DUTIES

SECTION 1. The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing (i) the use of the Common Area and facilities and (ii) the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and the right to use of the Common Area of a Member during any period in

which such Member shall be in default in payment of any assessment levied by the Council. Such rights may also be suspended after notice and hearing, for infraction of published rules and regulations.

(c) Exercise for the Council all powers, duties and authorities vested in or delegated to this Council and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration.

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

(e) Employ a manager, an independent contractor or such other employee(s) as they deem necessary and to prescribe their duties.

SECTION 2. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when such statement is requested in writing by one-tenth (1/10) of the votes entitled to be cast.

(b) Supervise all officers, agent and employees of this Council and to see that their duties are properly performed;

(c) Establish the annual assessment period and fix the amount of the annual assessment against each Member for each Unit or Interval Unit owned at least thirty (30) days in advance of each annual assessment period;

(d) Send written notice of each assessment to every Owner at least thirty (30) days in advance of each annual assessment period;

(e) Foreclose the lien against any Property for which assessments are not paid within one hundred twenty (120) days after the due date thereof or to bring an action at law against the Owner personally obligated to pay same; the foregoing shall not preclude the Board, in its discretion, from foreclosing the lien sooner than one hundred twenty (120) days after the due date;

(f) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge shall be established by the Board for the issuance of these certificates. If the certificate states an assessment has been paid, such properly issued certificate shall be conclusive evidence of such payment;

(g) Procure and maintain adequate fire, liability and other hazard insurance with respect to the Property and cause that portion of each assessment attributable to such insurance to be placed in a separate bank account to be used for the premium payments thereof;

(h) Cause all officers and employees having fiscal responsibilities to be bonded as it may deem appropriate;

(i) To pay taxes which would be a lien upon the entire Property or the Common Area and to pay and discharge any lien or encumbrance levied against the entire Property or the Common Area;

(j) Cause the Common Elements to be maintained;

(k) Cause the Units which are divided into Intervals to be furnished, maintained, cleaned and provided with weekly linen and maid service.

(l) In addition to other powers and duties set forth in these Bylaws, the Board shall have all authority for operation of the recreational facility, but may, at its option, form a committee comprised of Owners and recreational members in proportions established by the Board, which committee shall have powers and duties as are designated by the Board.

(m) To enforce the Declaration.

ARTICLE 9

OFFICERS

SECTION 1. The officers of the Council shall be a President, Vice President., Secretary and Treasurer. The Council may also have, at the discretion of the Board of Directors, one or more additional Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. One person may hold two or more offices, except those of President and Secretary.

SECTION 2. The officers of the Council, except such officers as may be appointed in accordance with the provisions of Section 3 of this Article, shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified. Officers need not be Members of the Council.

SECTION 3. The Board of Directors may appoint such other officers as the business of the Council may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board of Directors

may from time to time determine.

SECTION 4.

(a) Any officer may be removed, either with or without cause, by a majority of the Directors at the time in office, at any regular or special meeting of the Board, or, except in the case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

(b) Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Council. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

SECTION 6. The President shall be the chief executive officer of the Council and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and affairs of the Council. He shall preside at all meetings of the Members and at all meetings of the Board of Directors. He shall be ex-officio a member of all of the standing committees and shall have the general powers and duties of management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws. He shall sign all leases, mortgages, deeds of trust, promissory notes and other major instruments.

SECTION 7. In the absence or disability of the President, the Vice Presidents in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to, all the restrictions upon the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them, respectively, by the Board of Directors or these Bylaws.

SECTION 8.

(a) The Secretary shall keep, or cause to be kept, a book of Minutes at the principal office or such other place as the Board of Directors may order, of all meetings of Directors and Members, with the time

and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, the number of Members present or represented at Members' meetings and the proceedings thereof.

(b) The Secretary shall give, or cause to be given, notice of all the meetings of the Members and of the Board of Directors required by these Bylaws or by law to be given, and he shall keep the seal of the Council in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

SECTION 9.

(a) The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct amounts of the properties and business transactions of the Council, including accounts of its assets, liabilities, receipts, disbursements, gains, losses and surplus. The books of account shall at all reasonable times be open to inspection by any Director.

(b) The Treasurer shall deposit or cause to be deposited all monies and other valuables in the name and to the credit of the Council with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Council as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they request it, an account of his transactions as Treasurer and of the financial condition of the Council, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

ARTICLE 10

COMMITTEES

SECTION 1. The Board of Directors shall appoint a Nominating Committee and may appoint such other committees as may be necessary from time to time, consisting of such number of the Members and with such powers as it may designate, consistent with the Articles of Incorporation and these Bylaws and such committees shall hold office at the pleasure of the Board. Until control of the Council passes from the Developer to the Members, Committee members need not be members of the Council.

ARTICLE 11

CORPORATE RECORDS AND REPORTS — INSPECTION

SECTION 1. The Council shall maintain adequate and correct accounts, books and records of its business and properties. All such books, records and accounts shall be kept at its principal place of business in the State of Arizona, as fixed by the Board of Directors from time to time, except that until management and control of the Council is transferred from the Developer, such books, records and accounts may be maintained at Developer's principal place of business, and upon the written request of any Member, shall be made available for inspection on the premises of the Property.

SECTION 2.

(a) The Member register, the books of account and minutes of proceedings of the Members and the Board of Directors and of executive committees of the Directors of the Council shall be open to inspection upon the written demand of any Member. The books will be made available within ten (10) days of the written request for a purpose reasonably related to membership interests. These books shall be exhibited at any time when required by the demand at any Members' meeting of twenty percent (20%) of the Members represented at the meeting.

(b) Demand of inspection other than at a Members' meeting shall be made in writing upon the President Secretary or Assistant Secretary of the Council.

SECTION 3. The original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, shall be open to inspection by the Members at the Council's principal offices at all reasonable times during office hours.

SECTION 4. All checks, drafts and other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Council, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board of Directors.

SECTION 5. The Board of Directors, except as these Bylaws otherwise provide, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Council. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent or employee shall

have any power or authority to bind the Council by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or to any amount.

SECTION 6. The Board of Directors shall cause an annual report to be made available to the Members not later than sixty (60) days after the close of the fiscal year. The annual report shall be available at the office of the Council on the Property.

The annual report shall include, but not be limited to, an independent examination or audit of the account(s) of the Council. The financial statement shall be prepared according to generally accepted account principles applied on a basis consistent with that of the preceding year.

ARTICLE 12

INSURANCE

SECTION 1.

(a) The Council shall obtain and continue in effect blanket replacement cost property insurance without prejudice to the right of any Owner of a Unit to obtain individual condominium insurance. The insurance premiums for any blanket insurance coverage shall be a common expense to be paid by annual or special assessments levied by the Council on Owners; that portion of each annual or special assessment attributable to insurance premiums shall be held in a separate escrow account of the Council and used solely for payment of such blanket property insurance premiums as they become due.

(b) The Council shall also maintain insurance on all personalty maintained by the Council with coverage in the fair market value of such personalty.

ARTICLE 13

CORPORATE SEAL

SECTION 1. The corporate seal shall be circular in form, and shall have inscribed thereon the name of the Council, the date of its incorporation and the word "Arizona."

ARTICLE 14

FISCAL YEAR

SECTION 1. New Bylaws may be adopted or these

Bylaws may be repealed or amended at the annual meeting, or at any other meeting of the Members called for that purpose, by a vote of a majority of the quorum of Members present in person or by proxy, or by a majority of a quorum of the Board, except that any such amendment shall be subject to the provisions of Section 2 herof.

Section 2.

(a) Whenever an amendment or new Bylaw is adopted, it shall be copied in the book of Bylaws, with the original Bylaws, in the appropriate place. If any Bylaw is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written assent was filed shall be stated in said book.

(b) The undersigned, being all of the persons appointed in the Articles of Incorporation to act as

IN WITNESS WHEREOF, we have hereunto set our hands as of this ____ day of _____, 198__.

Robert Allen Evans
ROBERT ALLEN EVANS, Trustee of the
Robert Allen Evans and Patricia
Mae Evans Trust

Stephen L. Evans
STEPHEN L. EVANS

-17-

Bernadette Ann Evans

Philip R. Evans
PHILIP R. EVANS

Patricia Mae Evans
PATRICIA MAE EVANS

Linda Ann Evans
LINDA ANN EVANS

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of ARROYO ROBLE RESORT COUNCIL OF CO-OWNERS, INC., an Arizona non-profit corporation, and

That the foregoing Bylaws constitute the original Bylaws of said Council, as duly adopted at a meeting of the Board of Directors thereof, held on the ____ day of _____, 198__.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Council as of this ____ day of _____, 198__.

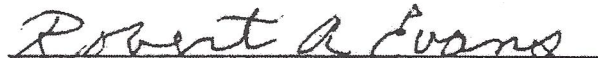
Patricia Mae Evans
PATRICIA MAE EVANS

NOTICE OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
ARROYO ROBLE RESORT COUNCIL OF CO-OWNERS, INC.

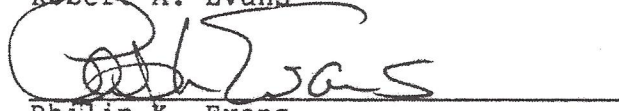
The undersigned, constituting all of the Directors of ARROYO ROBLE RESORT COUNCIL OF CO-OWNERS, INC., an Arizona corporation, hereby waive call and notice of the time, place and purpose of the Meeting of the Board of Directors of said corporation, and hereby consent that said meeting be held at 10:00 A.m., on September 1, 1987, at Phoenix, Arizona, for the purpose of transacting such business as properly may come before the Board.



Stephen L. Evans



Robert A. Evans



Philip K. Evans

MINUTES OF THE SPECIAL MEETING
OF THE
BOARD OF DIRECTORS OF
ARROYO ROBLE RESORT COUNCIL OF CO-OWNERS, INC.

Pursuant to waiver of call and notice of the meeting, signed by all of the Directors and filed with these Minutes, the special Meeting of the Board of Directors of ARROYO ROBLE RESORT COUNCIL OF CO-OWNERS, INC., was held at 10 o'clock A.m., on September 21, 1987, at Phoenix, Arizona.

Stephen L. Evans, Robert A. Evans and Philip K. Evans were present in person or by telephone.

Stephen L. Evans acted as Chairman of the meeting and Philip K. Evans recorded the minutes.

The Chairman stated that the purpose of the meeting was to discuss the Bylaws of the Corporation, the present one-year terms of the Board of Directors and the need for Directors to be elected to staggered terms. A discussion of the issue ensued. A motion was duly made and seconded to amend Article G, Section 3 (the Bylaws) as follows:

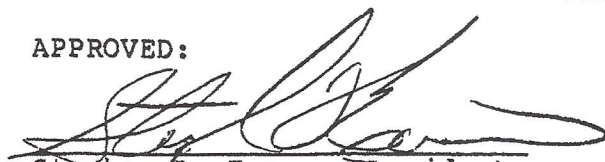
"At the first annual meeting after management is transferred to the Owners, the Members shall elect five (5) Directors. Two Directors shall serve a term of three years, two Directors shall serve a term of two years and one Director shall serve a term of one year; thereafter, upon the expiration of the terms, each Director shall be elected for a term of three years."

The Secretary of the Corporation was directed to incorporate the Amendment into the Bylaws.

There being no further business to come before the meeting, the meeting was adjourned.


Philip K. Evans, Secretary

APPROVED:


Stephen L. Evans, President