

BYLAWS
OF
WHITE MOUNTAIN VACATION VILLAGE RECREATIONAL
SUBDIVISION ASSOCIATION

ARTICLE I
RECITALS, DEFINITIONS

1. This corporation has been formed pursuant to the non-profit corporation laws of the State of Arizona.
2. The name of this corporation shall be White Mountain Vacation Village Recreational Subdivision Association, hereby referred to as the "ASSOCIATION".
3. Following are the documents governing the Association listed in priority:
 - a. Arizona statutes for planned communities (Title 33)
 - b. Articles of Incorporation of White Mountain Vacation Village Recreational Subdivision Association filed 6/04/2001
 - c. Declaration of Covenants, Conditions and Restrictions filed August 16, 2001 and amended October 8, 2002 and December 16, 2002 and Declaration of Covenants, Conditions, and Restrictions filed September 9, 2004.
 - d. Bylaws
 - e. White Mountain Vacation Village Recreational Subdivision Association Rules and Regulations, if applicable.
4. The specific and primary purposes of this corporation are as set forth in Article III of the Articles of Incorporation.
5. These Bylaws shall be adopted by the Board of Directors and may be amended, revised or rescinded as set forth in Article XI of the Articles of Incorporation. Amendments to these bylaws shall take effect at the adjournment of the meeting at which they are adopted unless otherwise provided.
6. The term "DEVELOPMENT" shall mean all of the real property within the boundaries of that certain real estate planned community in Navajo County, Arizona and commonly known as "WHITE MOUNTAIN VACATION VILLAGE RECREATIONAL SUBDIVISION".
7. The property which the association shall initially own and control and/or maintain is that described in the Amended Declaration of Covenants, Conditions and Restrictions for White Mountain Vacation Village Unit II Phase I, and the Declaration of Covenants, Conditions and Restrictions for White Mountain Vacation Village Phase II, and Phase III, referred to as the Restrictions, as recorded in FEE NOs. 2002-26275 and 2004-21275 in the official records of Navajo County, Arizona.
8. The term "LOT" shall mean any lot designated on a duly recorded survey map, or under separate Ownership.
9. The term "OWNER" shall mean the person or entity owning or holding the legal or equitable title to a lot, which term shall include, but not be limited to, purchasers under a purchase contract.

10. The term "DECLARANT" shall refer to WHITE MOUNTAIN VACATION VILLAGE, L.L.C., AND VACATION VILLAGE, INC., their SUCCESSORS AND ASSIGNS.
11. The term "RESTRICTIONS" shall mean those recorded in the office of the recorder of Navajo County, State of Arizona, in FEE Nos. 2002-26275 and 2004-21275 as such restrictions may from time to time be amended, supplemented, or modified by or incorporated by reference in subsequent Restrictions so recorded.
12. The term "COMMON AREA" shall mean and include collectively all real property and improvements located thereon conveyed to the association, if any, or otherwise maintained by the association.
13. The term "MEMBER" as used herein, shall mean a Member of the Association in good standing whose rights under these Bylaws are not suspended.
14. The term "BOARD" shall mean the duly elected and/or acting Board of Directors of the association.
15. The terms "PERSONS" or "ENTITY" shall mean and include any individual, corporation, partnership, association or other legal entity recognized by the laws of the State of Arizona.

ARTICLE II PRINCIPAL OFFICES

The principal offices of the association shall be located in such place in Navajo County, Arizona, as the Board of Directors shall from time to time designate by resolution.

ARTICLE III MEMBERSHIP

1. Each Owner of a lot within the development shall be a Member of the Association.
2. A member in good standing is one who owns an unimproved lot or RV in White Mountain Vacation Village and has no delinquent assessments, outstanding monetary penalties, or Restriction violations. Only a member in good standing may serve as a director or officer.
3. Each Owner who is a Member shall remain a Member until he/she no longer qualifies as such under Article I above.
4. The Board may provide for the issuance of certificates evidencing Membership in the Association, which shall be in such form as determined by the Board. The name and address of each Member shall be entered into a Membership register maintained by the secretary or other designee as determined by the Board.
5. The secretary shall have the right to demand proof of lot Ownership prior to accepting a person or entity as a Member.
6. Powers not delegated to officers, boards and committees remain with the Members.

ARTICLE IV MEMBERSHIP VOTING

1. The Association shall have two classes of voting Membership, with each Member having one vote for each lot owned, except Declarant who shall be entitled to ten (10) votes for each lot owned, except as specified in the Restrictions under Section 8.2: Declarant's Rights Prior to Transfer to Association, which states that until Declarant relinquishes its rights as set forth in the Restrictions, the Membership shall be non-voting.
2. At any meeting of the Membership called and held pursuant to the provisions of these Bylaws, each Member shall be entitled to one (1) vote for each lot owned by such Member, except Declarant, who shall be entitled to ten (10) votes for each lot owned, except as specified in the Restrictions under Section 8.2: Declarant's Rights Prior to Transfer to Association.
3. Any Member may attend and vote at meetings or cast his/her absentee ballot.
4. When more than one person holds interest in any lot, only one (1) person shall be the Member. Such persons holding an interest shall designate the person to be the Member and give written notice thereof to the Association. The vote for such lot may be exercised as the Owners among themselves determine, but in no event shall more than one vote be cast with respect to any lot. The votes for such lot must be cast as a unit, and fractional votes shall not be allowed. In the event joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast a vote representing a certain lot, it will thereafter be conclusively presumed for all purposes that he/she or they were acting with the authority and consent of all other Owners of the same lot. In the event more than one vote is cast for a particular lot, none of said votes shall be counted and said votes shall be deemed void.
5. Any matter or issue requiring the vote of the Members other than the election of Directors may be submitted for vote by written ballot, without a meeting of the Members. The determination to conduct a vote in this fashion shall be made by a majority of the Board or by delivering same to the secretary. In the event of such a vote, the Board shall give written notice thereof specifying the time and place where the ballots are to be cast and the question or questions to be voted upon. Such notice shall then be mailed to the Members at least 10 days prior to the date that the ballots should be received and counted and shall include the form of ballot to be used. A quorum shall be deemed to have been present for purposes of the vote if Members having two-thirds of the total votes cast ballots in any such election. Upon tabulation of the ballots, the Board shall notify the Members of the outcome of the election. If insufficient votes to constitute a quorum are cast, the Board shall notify the Members.

ARTICLE V MEMBERSHIP MEETINGS

1. There shall be an annual meeting of the Members on such date or time and place as voted upon by the Board. The meeting of the Members shall be at the offices of the

- Association, at the development, or at such other reasonable place and time within the county and time not more than thirty (30) days before or after such date, as may be designated by notice of the Board of the meeting. The annual meeting shall be for the purpose of election of directors, receiving reports of officers or the management company, the board of directors and committees, and for any other business that shall properly come before the meeting. Notice of the annual meeting accompanied by a detailed agenda shall be sent to members at least ten (10) days prior to the date of the meeting.
2. Special meetings of the Members may be called at any time to consider any reasonable business of the Association. Said meetings shall be called by notice to the Membership signed by a majority of the Board or by Members having one-third of the total votes of the Membership, and mailed to the Members not less than 10 days or more than sixty days prior to the date fixed for said meeting. Said notice may be included in a newspaper or circular, shall specify the date, time, and place for a meeting and the matters to be considered thereat. The place for such special meetings shall be at the offices of the association at the development or at such other reasonable place within the County as designated by the persons calling the same.
 3. The presence at the meeting of Members having at least 2/3's of the votes shall constitute a quorum provided at least three board members are present. If a quorum is not met at a meeting, such meeting shall be adjourned to a time not less than 48 hours, nor more than 60 days after the time the original meeting was called. At an adjourned meeting, the quorum requirements shall be one-half of that required for the initially called meeting.
 4. Unless otherwise provide in these Bylaws or in the Restrictions, a vote of the majority of the votes cast shall prevail with respect to any issue presented to a Membership.
 5. Any vote taken for the election of the Directors shall be by secret written ballot in form prescribed by the Board. All other issues presented at any meeting for a vote by the Membership, shall be voted upon either by oral vote or by raise of hands or by secret written ballot at the election of the chairman of the meeting, unless 25% of the votes present at such meeting request that the vote be by secret ballot, in which event the vote shall be by secret ballot.

ARTICLE VII BOARD OF DIRECTORS

1. The corporate powers of the Association are vested in and shall be exercised by the Board consisting of not less than three (3) or more than five (5) Owners as may be determined from time to time by a vote of the Membership or as specified in the Restrictions.
2. Directors shall serve staggered terms of one (1) year or until their respective successors are elected, or until their death, resignation, or removal, whichever is earlier. Vacancies on the board shall be filled by a majority vote of the remaining Directors, though less than a quorum, and each Director so elected shall hold office until the members elect his or her successor.

3. At each annual meeting of the Members, the Members shall elect sufficient Directors to fill the staggered term vacancies for the forthcoming year. For example, with five members of the Board, two will be elected one year, three the next year, and so on. Each Member may cumulate his votes and give one or more candidates for Director a number of votes equal to the number, which such Member has hereunder multiplied by the number of Directors to be elected. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be elected.
4. The Board of Directors shall select a nominating committee consisting of at least two (2) Members, which Members may also be Board Members. The purpose of said nominating committee shall be to name persons to fill vacancies on the Board caused by the expiration of a Board Members term. The nominating committee shall prepare a slate of eligible persons, which slate shall be presented to the Membership which shall vote for the appropriate number of Directors necessary to fill the vacancies on the Board. No other Board nominations shall be voted upon except from the slate prepared by the nominating committee. The Board of Directors shall set the term of the office and fill all vacancies that may arise on the nominating committee.
5. Members of the Board of Directors are volunteers.
6. A Director has a fiduciary relationship with the Association and therefore serves the interest of the Members as a whole.
7. The Membership has the power to remove the entire Board or an individual Member of the Board at any time provided, however, that an individual Director shall not be removed during his term if the number of votes cast against his removal exceeds twenty percent (20%) of the votes of the Ownership.

ARTICLE VIII BOARD MEETINGS

1. A regular meeting of the Board shall be held each year following the annual meeting of the Membership.
2. Special meetings of the Board shall be held when called by any officer of the association, or by two (2) Directors, after not less than three (3) days prior written notice, unless such notice is waived in writing by all of the Directors.
3. Meetings of the Board of Directors will be posted at the Clubhouse at 2050 Vacation Village Drive and at 1500 W. Deuce of Clubs at least 24 hours in advance of a meeting except in the case of executive meetings.
4. A quorum of the meetings of the Board of Directors shall be a majority of the Directors then in office.
5. Any Member or person designated by a Member shall be permitted to attend meetings of the Board of Directors (excluding executive sessions) and to speak at appropriated times on the agenda items ore offer general comments. The Board can place reasonable time restrictions on those speaking during the meeting, but shall allow a Member or a Member's representative to speak before the Board takes formal action on items under discussion.
6. The Board may convene a closed or executive session for the following reasons: Legal advice from an attorney for the Board or the Association; pending or

- contemplated litigation; personal, health and financial information about an individual Member, an individual employee of the Association or an individual employee of a contractor for the Association; and, matters relating to the job performance of, compensation of, health records of or specific complaints against an individual employee of the Association or an individual employee of a contractor of the Association, who works under the direction of the Association. After a final resolution of any matter in which the Board received legal advice, or that is related to pending or contemplated litigation, the Board may disclose information about that matter in an open meeting, except if those matters are required to be kept confidential by the terms of the settlement agreement or a judgment.
7. If a community association is a nonprofit corporation, A.R.S 10-3821 allows action by the Board without a meeting if all of the Board shall individually or collectively consent in writing to such action. The action must be evidenced by one or more written consents describing the action taken, signed by each Director and included in the minutes filed with the corporate records.

ARTICLE IX DUTIES AND POWERS OF THE BOARD

1. To exercise all power vested in the Board under the Articles of Incorporation, these Bylaws, the Restrictions, and under the laws of the State of Arizona.
2. To appoint and remove all officers of the Association and delegate duties and powers to the officers as it sees fit.
3. To be responsible for reviewing and revising Bylaws and submitting changes to the Membership.
4. To be responsible for adoption of the annual budget.
5. To appoint such agents and employ such employees, including attorneys and accountants, as it sees fit to assist in the operations of the association, and to fix their duties and establish their compensation.
6. Subject to the provisions of the Restrictions, to adopt and establish rules and regulations governing the use of the common area, and to take such steps as it deems necessary for the enforcement of such rules and regulations.
7. To enforce all applicable provisions of the Restrictions, these Bylaws and all other regulations relating to the control, management and use of the common area within the development.
8. To establish and thereafter levy fines for violations of the Restrictions.
9. Contract and pay premiums for casualty, liability and other insurance and bonds (including indemnity bonds) which may be required from time to time by the association.
10. Contract for and pay for the management, maintenance, landscaping, utilities, materials, supplies, labor and services that may be required from time to time in relation to association property, and the common area within the development.
11. Pay all taxes, special assessments and other assessments and charges, which are or would become, a lien on Association owned or maintained property.

12. To contract for and pay for construction or reconstruction of Association property damaged or destroyed.
13. If and when the Board deems it appropriate, to delegate its duties and powers hereunder to the officers of the Association.
6. To establish, in accordance with the restrictions, and thereafter levy assessments on the association and to collect same, all in accordance with the restrictions; provided no annual assessment shall exceed that provided for in the restrictions and no special assessment may be set without a vote of the association, except as provided under Article VIII: Declarant's Rights, in the Restrictions.
14. The Board shall have the power to collect reasonable use charges for the use of any or all of the common area except as provided in the Restrictions.
15. To appoint a nominating committee for the nomination of persons to be elected to the Board, and to prescribe rules under which said nominating committee is to act.
16. To appoint such other committees as it deems necessary from time to time in connection with the affairs of the Association.

ARTICLE X OFFICERS

1. The officers of the association shall be members of the Board of Directors and shall consist of a president, vice president, secretary, and treasurer. If a member of the Board is a partnership, corporation, or other legal entity under Arizona law, then the member's employees shall qualify to be officers. The Association may also have, at the discretion of the Board, one or more assistant secretaries, one or more treasurers, and such other officers as may be appointed in accordance with the provisions of paragraph 3 following. One person may hold two or more offices, except that the offices of president and secretary shall not be held by the same person.
2. The officers of the association, except such officers as may be appointed in accordance with the provisions of paragraphs 3 and 5 following, shall be chosen annually by the Board and each shall hold his office until he shall resign or be removed or otherwise disqualified to serve, or his successor be elected and qualified.
3. The Board may appoint, and may empower the president to appoint, such other officers as the affairs of the association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided for in these Bylaws or as the Board may from time to time determine.
4. Any officers may be removed, either with or without cause, by the Board or by any officer upon whom such power of removal may be conferred by the Board; provided, however, that no such officer shall remove an officer chosen by the Board. Any officer may resign at any time by giving written notice to the Board or to the president or to the secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later times specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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.
6. Duties of Officers:
 - a. The president shall:
 - i. Be elected by the Board from among the Directors.
 - ii. Serve as the chief executive officer of the Association.
 - iii. Appoint the chairman of standing and special committees with the approval of the Board.
 - iv. Prepare the agenda and preside at the Board and membership meetings.
 - v. Represent the White Mountain Vacation Village Recreational Subdivision Association.
 - vi. Be subject to the control of the Board, have general supervision, direction and control of the affairs and officers of the association.
 - vii. Have the powers usually vested in the office of president of a corporation, together with such other powers and duties as may be prescribed by the Board or these Bylaws.
 - b. The vice president shall:
 - i. Be elected by the Board from among the Directors.
 - ii. Perform all the duties of the president in the absence of the president. When so acting shall have all the powers of, and be subject to all the restrictions upon the president.
 - iii. Preside at meetings of the Board where conduct of the president is being evaluated or motions are being considered that involve only the president.
 - iv. Serves as the Association's compliance authority to insure Board and officer actions conform to Restrictions, Bylaws, Articles of Incorporation and other regulatory statutes.
 - v. Have such other powers and perform such other duties as from time to time may be prescribed by the Board or these Bylaws.
 - c. The secretary shall:
 - i. Be elected by the Board of Directors.
 - ii. Attend meetings of the Board and Association officers.
 - iii. Prepare, sign, and archive minutes of meetings of the Board and Members.
 - iv. Maintain the most current copies of legal and other regulatory documents relevant to the conduct of Association business.
 - v. Keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings of Directors and Members, with the time and place of holding same, whether regular or special, and, if special, how authorized, the notice thereof given, the names of Members present in person or by proxy at Members meetings, and the proceedings thereof.
 - vi. Keep, or cause to be kept, appropriate current records showing the Members of the association, together with their addresses, e-mail addresses, and telephone numbers. If necessary, demand proof of lot ownership prior to accepting a person or entity as a Member.

- vii. Prepare and mail the new owner packet required by Arizona Title 33, Chapter 16, Article 1, Section 33-1806. Packets shall be distributed to all new owners within 10 days of receiving written notice of a pending sale or transfer of a unit.
 - viii. Give notice of all meetings of the Board required by the Bylaws or by law to be given.
 - ix. Count votes represented at the meetings by absentee ballot or in person.
 - x. Accept qualified requests for special membership vote on issues.
 - xi. Prepare Association correspondence as directed by the president.
 - xii. Keep the seal of the association in safe custody.
 - xiii. Have such other powers and perform such duties as may be prescribed by the Board or these Bylaws.
- d. The treasurer shall:
- i. Be elected by the Board of Directors.
 - ii. Keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts and disbursements.
 - iii. Collect, or cause to be collected, regular and special assessments.
 - iv. Supervise bookkeeping activities, which include accepting and depositing all monies and other valuables to the credit of the Association and disbursing the funds of the association as may be ordered by the Board.
 - v. Report, or cause to be reported, to the Board on key financial events, trends, concerns, and assessment of fiscal health.
 - vi. Provide financial reports for board meetings, new owner packets and member newsletters.
 - vii. Supervise the delinquent account program by: advising the board members who are delinquent in the payment of their regular assessments (dues); preparing letters of delinquency for the president's signature; and, preparing for the Association attorney the necessary statements for the recording of liens.
 - viii. Collect, or cause to be collected any fines levied for non-compliance to the Restrictions.
 - ix. Supervise preparation of an annual financial report for the board and the membership meeting.
 - x. Insure the books of account shall at all reasonable times be open to inspection by any Director or Member.
 - xi. Direct the securing of the services of a certified public accountant to conduct an audit of the Association's financial records in accordance with Arizona law.
 - xii. Perform such other duties as may be prescribed by the president, Board or the Bylaws.

**ARTICLE XI
COMMITTEE**

1. Committees may be created by the Board of Directors as necessary.
2. Except as provided elsewhere in the Bylaws, the president shall appoint the chairman of committees with the approval of the Board of Directors.
3. The president, with input from the chairman, shall appoint committee members with approval of the Board of Directors.
4. Committee reports shall be agreed upon by the committee. The chairman shall have no authority to provide reports independently of the committee.
5. Committees may be dissolved at the sole discretion of the Board of Directors.

**ARTICLE XII
MISCELLANEOUS**

1. The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the Association may adopt.
2. All books, records and papers of the association shall at all times during reasonable business hours be subject to the inspection of any Member at the offices of the Association.
3. As per Article XI: General Provisions of the Restrictions, the Board must employ the services of a professional management company or manager to manage the affairs of the Association, and to the extent not inconsistent with the laws of the State of Arizona, and upon such conditions as are otherwise advisable by the Board, the Board may delegate to the manager any of its powers under these Bylaws and the Restrictions.
4. Any notice or other document permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed delivered twenty-four (24) hours after a copy of same has been deposited in the United States Mail, postage prepaid, to the last known address of the addressee.

DATED THIS 22nd DAY OF October 2005



SECRETARY