

**AMENDED AND RESTATED
BY-LAWS OF THE
WILLOW VALLEY CLUB ASSOCIATION, A NON-PROFIT CORPORATION**

**ARTICLE I
The Board of Directors**

1. Except as is otherwise herein reserved to the Board of Governors, the management of the business and affairs of the Association shall be vested in a board of directors comprised of fifteen members. The major function of the Board of Directors shall be to carry out the day-to-day activities of the Association and to manage the clubhouse and other areas of common ownership for the benefit of the membership.

2. One director shall be selected by and from the Board of Governors, as hereinafter described, three directors shall be the standing committee chairmen who are selected by the remaining directors, and the remaining directors shall be elected by ballot by the regular members and shall be installed at the annual membership meeting of the association, which shall be held on the Saturday immediately preceding Easter Sunday of each year, commencing with the year 1978. All directors shall hold office until the next annual meeting of the members, and until their successors have been elected and qualified. The elected directors shall be chosen by a majority of the votes cast by the regular members of the association.

- Ballots shall be distributed and or collected at the clubhouse on the second Saturday of February each year. Voting hours will be from 9:00 A.M. until 5:00 P.M.

*Each membership in good standing shall be able to cast one vote.

*Otherwise ballots will be cast in the manner designated in the Amendment to Article II, Section 4, paragraph (e).

*All ballots are to be numbered.

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*Any person running for an office must have dues paid.

3. Directors must be regular members of the Association in good standing. Nine directors shall be elected, not including the Secretary and Treasurer, who shall also serve as directors. Four of the directors shall be elected at large (one of whom shall represent non-resident members). Five directors (who shall be resident property owners) shall be elected, one from each of the five districts as listed.

The 1981 election shall consist of directors for Districts 2 and 4, for a one year term. (Two directors-at-large have one more year to serve.) Directors for Districts 1, 3, 5 and the one director-at-large (representing non-resident members of Willow Valley) shall be elected for two year terms.

* (Page amended 11/6/00)

• (Page amended 2/501)

The 1982 election shall consist of directors for Districts 2, 4, and two directors-at-large for two-year terms. Election for these four directors will continue each even-numbered year for two-year terms. Directors for Districts 1, 3, 5, and the director-at-large (representing non-resident property owners) will continue to be elected each odd-numbered year for two-year terms.

District 1

Willow Valley Estates 8, 8-A, 9 replatted, and 10

District 2

Willow Valley Mobile Home Estates 14, 15 and 16

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District 3

Willow Valley Mobile Home Estates 17 and 18

District 4

Willow Valley Estates 5 and 11

District 5

Willow Valley Estates (1), Two, Three, Four replatted, 6, 7 and 12

As new lots and areas are designated pursuant to Article IV, Section 2, to permit the purchasers thereof to become members in the Association, the Board of Directors and Board of Governors shall jointly determine the district to which the new lots and areas designated shall be added.

Candidates shall be identified on the ballot as to the area represented and term of office.

4. The Board of Directors shall meet no more than four (4) weeks following the annual membership meeting, and at such other times and places as they may determine, but no less than once per month, and the majority of the Board shall constitute a quorum. At the first annual meeting of the Board of Directors following the annual membership meeting, the Board shall establish the dates for the regular monthly directors' meetings for the year and post notice thereof in the clubhouse and mail notice to every director. No further written notice of regularly-scheduled meetings need be given thereafter. Failure to attend three consecutive regular meetings of the Board of Directors may be deemed cause for expulsion from the Board of Directors by a vote of two-thirds of the remaining members.

5. A special meeting of the Board of Directors may be called at any time by the Chairman or Vice-Chairman or by a majority of the Board. Written notice of such a special meeting shall be given at least seven (7) days prior to said meeting. Special meetings may be held without notice if such notice is waived by all of the directors.

6. In case of a vacancy in the Board of Directors by death, resignation or otherwise, unless said member be the member selected by the Board of Governors, the remaining members of the Board shall elect a new member to fill the vacancy, such new member shall have the same qualifications as and serve for the unexpired term of his predecessor and until his successor is elected and qualified. Vacancies on the 1977 Board shall be selected, if possible, from members of the outgoing 1976 Board and the unsuccessful candidates for the 1977 Board. In case of a vacancy in the position filled by the director elected by the Board of Governors, the Board of Governors shall elect a new member to fill the said vacancy.

7. The directors may call general meetings of the membership upon a minimum four (4) weeks prior written notice to all regular members in good standing according to the books of the Association. There shall be at least four general membership meetings per year, including the annual membership meeting. All regular and special meetings of the Board of Directors shall be open to all regular members in good standing. Notice of special meetings of the Board shall be given to the regular members by posting notice thereof in the clubhouse at a spot designated for such purpose at least three days prior to said meeting.

8. The Association shall have the following permanent standing committees:

(a) The Recreation and Entertainment Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board of Directors in its discretion determines;

(b) The Building and Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the clubhouse and other common facilities, and shall perform such other functions as the Board of Directors, in its discretion, determines;

(c) The Publicity and Communications Committee which shall inform the members of all activities and functions of the Association and after consulting with the Board of Directors, shall make public releases and announcements which are in the best interests of the Association, and shall perform such other functions as the Board of Directors, in its discretion, determines.

Each committee shall consist of a Chairman and may have as many additional members as the Chairman shall select. The Chairman shall be a member of the Board of Directors. The committee Chairmen shall be selected by the Board of Directors at the first directors' meeting held immediately following the annual membership meeting and shall serve until the close of the next such meeting. The Board may select such additional committees as it deems expedient but the chairmen selected therefor shall not serve as members of the Board of Directors unless they have otherwise been selected as directors by the general membership.

9. At the first directors meeting held after the annual membership meeting, and after selection of the standing committee chairmen, the Board of Directors shall select from among their members one director to serve on the Board of Governors as a member thereof for a one-year term.

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ARTICLE II

The Board of Governors

1. The Board of Governors shall be comprised of not less than nine nor more than thirteen regular members of the Association. The number of members shall be established from time to time by the Board of Governors. The first Board of Governors shall be composed of all Presidents and Vice-Presidents of the Association (whether of the former active or regular members) who have served a full term of office at the date of the adoption of these By-Laws, plus one member who shall be selected by the Board of Directors as hereinabove provided. The first Board of Governors shall serve a term which commences with the term of the directors elected at the annual membership meeting in the year 1977. Each member of the Board of Governors shall serve for seven (7) years from the date his last term of office as officer or director expired. A member of the Board of Governors may serve only one seven-year term.

(e) The governors shall supervise all annual elections by the regular membership for officers and directors and shall install the new officers and directors. At least eight weeks before the annual meeting of the regular members, the Board of Governors shall call a general meeting of the membership and take nominations from the floor. At the termination of this meeting, the nominations will be deemed closed. All properly qualified and nominated candidates will be listed on the ballot for the annual election with the agreement of the Board of Directors. The Board of Governors will also supervise the distribution and counting of ballots. All ballots cast at the polling place shall be placed in a sealed ballot box. All ballots must be returned by the day of the poll. These shall be placed in a sealed ballot box to be counted with ballots cast at the polls. The votes will be counted at the close of the polls. Only one vote shall be cast per lot or parcel. When a lot or parcel is owned by more than one person, the owners shall designate to the Association which of them shall cast the vote. Ownership of more than one lot or parcel shall not entitle the owner thereof to more than one membership or vote. Election ties shall be determined by lot.

(f) The governors may make changes and amendments to the By-Laws with the consent of the Board of Directors.

(g) The Board of Governors shall act as the transfer agent of the Association and record all transfers of membership and cancel and preserve all certificates of membership transferred.

5. Membership on the Board of Governors precludes membership on the Board of Directors, and membership on the Board of Directors precludes membership on the Board of Governors, except for one member from each Board selected by that Board shall serve as a delegate to the other Board.

6. The Board of Governors at its first meeting after the annual meeting shall establish the dates for at least four regular meetings for that Board and shall post notice thereof in the clubhouse and mail notice to every Governor. No further notice of these meetings need be given. Failure to attend three consecutive regular meetings of the Board of Governors may be deemed cause for expulsion from the Board of Governors by a vote of two-thirds of the remaining members. At all meetings a majority of the members of the Board shall constitute a quorum. All meetings of the Board of Governors, whether general or special, shall be open to the regular members.

7. A special meeting of the Board of Governors may be called at any time by the Chairman or Vice-Chairman or by a majority of the Board. Written notice of such a special meeting shall be given at least seven (7) days prior the said meeting. Special meetings may be had without notice if such notice is waived by all Governors. A majority of the Board shall constitute a quorum.

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ARTICLE III The Officers

1. The elected officers of the Association shall be limited to a Secretary and Treasurer who shall also be members of the Board of Directors. The Secretary and Treasurer shall be elected in the same manner as the directors. The Board of Directors shall select, a Chairman and Vice-Chairman, and such other officers as they may from time to time deem necessary. During the year 1977, the elected President

and Vice-President shall serve as Chairman and Vice-Chairman, respectively, of the Board of Directors. All officers shall hold office for one year and until their successors have been elected and qualified. There shall be no limit to the number of terms of office to which the Secretary and Treasurer may be elected. The Chairman and the Vice-Chairman of the Board of Directors shall not be permitted to serve consecutive terms.

2. In the case of a vacancy in any office, the Board of Directors shall elect a successor to hold the office for the unexpired term.

3. The Chairman shall be the chief executive officer of the Association. The Chairman shall preside at all meetings of the general membership of the Association except those specifically called by the Board of Governors and shall also act as Chairman of the Board of Directors. The Chairman shall have the power to appoint such committees, other than the standing committees, as may be necessary, with the advice and consent of his Board.

4. The Vice-Chairman shall perform all of the duties of the Chairman during his absence and at such times as the Chairman is unable to act.

5. The Secretary shall attend all meetings of the regular members and the Board of Directors and keep a full and active account of their proceedings in a book to be kept for that purpose. The Secretary shall also keep the seal of the Association and affix the seal to all instrument requiring the seal as may be directed by the Board of Directors or the Board of Governors.

6. The Treasurer shall keep a full and accurate account of receipts and disbursements of the Association in books belonging to the Association and shall deposit all monies and valuable objects in the name of the company in such depositories or safety vaults as may be designated by the Board of Directors. A report of the finances of the Association shall be made by the Treasurer whenever requested by the Chairman or Vice-Chairman of either the Board of Directors or Board of Governors, and a report of like character shall be submitted by the Treasurer at each annual meeting of the members. He shall be required by the Board of Directors at any time to give such bond as the directors may designate, the cost of which shall be paid by the Association. The Board of Directors shall provide the Treasurer with such paid professional assistance as it deems necessary to permit the Treasurer to keep a full and accurate account of the finances of the Association.

7. The officers of the Association may be removed from office for cause by a two-thirds vote of the Board of Directors.

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ARTICLE IV Members and Memberships

1. There shall be three classes of membership: regular, associate and honorary.

2. Except as is herein otherwise provided with respect to membership transfers, regular members shall consist of all persons who own or have contracted to purchase real property in the subdivisions of Mohave County, Arizona, described below and in such other areas of what is commonly known as "Willow Valley" as may be designated from time to time by the Board of Directors of this corporation, by the Board of Directors of McKellips Land Corporation, or its successors, or by any individual member of the Board of Directors of McKellips Land Corporation serving at the time of the

adoption of these By-Laws. "Willow Valley" shall be deemed to include and those real property areas which may be designated for inclusion must be located within Sections 21, 23, 25, 27 and/or the North half of section 35, T.18n., R.22W., G.&S.R.B.&M., Mohave County, Arizona. The subdivision presently qualifying include:

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Willow Valley Estates
Willow Valley Estates Two
Willow Valley Estates Three
Willow Valley Estates Four replatted
Willow Valley Estates 5
Willow Valley Estates Six
Willow Valley Estates Seven
Willow Valley Estates 8
Willow Valley Estates 8-A
Willow Valley Estates 9 replatted
Willow Valley Estates 10
Willow Valley Estates 11
Willow Valley Estates 12
Willow Valley Mobile Home Estates 14
Willow Valley Mobile Home Estates 15
Willow Valley Mobile Home Estates 16
Willow Valley Mobile Home Estates 17
Willow Valley Mobile Home Estates 18
Willow Valley Estates 19
Willow Valley Estates 20
Willow Valley Estates Evergreen I, II, and III
Willow Valley Estates Rio Vista
Willow Valley Estates Monte Vista
Willow Valley Estates Cimarron Lake Unit 1 and 2

3. Associate members shall consist of such members of the families of regular members or lessees of regular members as may be determined from time to time by the Board of Directors.

4. Honorary members shall consist of such persons as from time to time may be designated by unanimous vote of the Board of Directors. Honorary memberships shall terminate after one year.

5. No member may avoid payment of dues and assessments by voluntary resignation. However, membership privileges may be terminated:

- (a) By the Board of Directors for failure to pay at the time specified therefor, charges, dues, maintenance fees, assessments or any other sum of money due from a member to the Association;
- (b) For cause after notice and hearing by the Board of Directors;
- (c) Except as otherwise provided herein, by sale of the property which is the basis of membership.

6. The Board of Directors may prescribe the form of notice to be given any member against whom charges of any kind may be brought; may specify who may bring charges; establish rules governing hearings upon such charges; and specify the penalty to be imposed, which may include fines up to but not in excess of \$25.00, and suspension from privileges of the Association.

7. Upon sale of the property, which is the basis of membership, or upon termination for any reason of membership in this Association, all privileges therein and all rights to use any property belonging to the Association shall cease. The termination of membership or privileges, however, shall not release any right or lien the Association may have against the property of the person whose membership is terminated for dues, maintenance, assessments, fines, fees, charges or any other amount. The mere payment of such amounts shall not give the owner of the property with respect of which they are paid, any right in or to the club property except the right of ingress and egress to and from the property owned by such person, to and from the nearest public highway.

• 8. If any member shall be charged in writing addressed to the Board of Directors by any other member or employee with conduct deemed by the directors to be injurious or detrimental to the order, peace, interest or welfare of the Association or unbecoming to a member of the Association or in violation of these By-Laws or any rules and regulations made by the Board of Directors, the said Board shall give at least five days' notice in writing of a hearing to be held upon such charges to the member so charged by serving the same personally upon said member or by mailing the same addressed to said member by ordinary mail, postage prepaid, to the address of the member as shown on the books of the Association. After such hearing, the Board, on being satisfied with the truth of the charge or charges may censure the member charged, fine the member up to, but not in excess of, \$25.00 and/or suspend or terminate his membership privileges in the Association. The determination of the Board of Directors shall be final.

9. All applicants for membership in the Association shall file an application in writing, upon such forms which shall elicit such information as the Board may prescribe. All information furnished by the applicant shall be deemed to be a material part of the consideration of the applicant's qualifications for membership, and any false, evasive or partially untrue statement may, in the discretion of the Board, be sufficient ground for suspension or termination of membership privileges.

10. Memberships shall not be transferable except as provided in this paragraph:

(a) A regular membership based upon ownership of any lot or parcel of real property designated for such purpose by the Board shall not be transferred, pledged or alienated in any way except upon sale of such lot or parcel and then only to the purchaser of such lot. The Board shall be given notice in writing of any intended sale, transfer, conveyance, lease or sublease, together with a membership application on a form prescribed by the Board and completed by the proposed transferee or lessee.

(b) Associate memberships and honorary memberships shall not be transferable in any event.

(c) No transfer of membership shall be valid or convey any privileges whatsoever unless and until it is recorded on the books of the Association or unless there shall be filed in the office of the County Recorder of Mohave County, and incorporated by reference in the instrument of sale, transfer, conveyance, and lease or sublease of the lot upon which membership is based an affidavit of the owner that notice and an application has been given to the Board in accordance with paragraph (a) above.

(d) No membership shall be transferable unless and until all dues, assessments, fines or other charges due to the Association from the holder thereof have been paid in full.

• (Page amended 5/7/01)

11. Any attempt to make a prohibited transfer is void and will not be reflected upon the books of the Association. In the event the owner of any designated lot or parcel shall fail or refuse to transfer the regular membership certificate registered in his name to the purchaser of such lot or parcel upon sale thereof, the Association shall have the right to record the transfer upon the books of the Association and, upon payment to it of all outstanding amounts due the Association, issue a new certificate to the purchaser, and thereupon the old certificate outstanding in the name of the seller shall be null and void as though the same had been surrendered.

ARTICLE V
Dues and Fees

• 1. The Board of Directors and the Board of Governors shall from time to time jointly fix and establish dues and assessments, all of which shall be promptly paid by the holders of the classes of membership designated by the Board; provided, however, that the dues levied during any calendar year shall not exceed by 10% the dues levied in the preceding year unless the excess be approved in writing by a majority of the regular members of the Association voting.



❖ 2. As of January 1, 2002 all new qualifying subdivisions within the area described in Article VI, of the Amended Articles of Incorporation, of the Willow Valley Club Association, which is not currently a qualifying subdivision of the Willow Valley Club Association and which is proposed to be added into the Willow Valley Club Association as a new qualifying subdivision with designated lots or homesites shall (a) pay to the Association a one time assessment of One Thousand and no/100 Dollars for each and every lot or homesite therein, to be paid within 30 days of the filing of the plot for said subdivision or, in the alternative (b) pay upon recording of said plat covenants, conditions and restrictions which obligate the purchasers of each of the lots or homesites within said subdivision to pay a special one time assessment of One Thousand Dollars (\$1,000.00) for each and every lot or homesite, pursuant to Article X of the Amended Articles of Incorporation and Article V of the Amended By-Laws of the Willow Valley Club Association. In no event shall a new subdivision be designated for inclusion and its lot owners qualified for membership unless either the Association is paid the assessment as herein provided or the subdivision is restricted in a manner that will require the lot purchasers to pay the one time assessment upon purchase of the lots.

3. Failure to pay dues and/or assessments within thirty days after the same become due, as determined by the Board shall be cause for suspension or termination of membership privileges in the discretion of the Board.

4. Unless otherwise provided by the Board, all dues and assessments shall be due and payable on or before thirty days following the mailing of notice of such dues. Annual dues shall be payable in advance unless otherwise provided by the Board. Failure to pay dues within thirty days after the same become due shall result in the imposition of additional assessments to cover collection costs, which assessments shall be deemed additional dues. The payment of all dues and assessments may be secured by a lien on the real property of the member in default.

5. A member shall be denied the privilege to vote on any question if he shall be delinquent in payment of any dues or assessments for a period of more than thirty days.

6. Members owning multiple lots or parcels shall pay one membership fee.

❖ (page amended 3/3/05)

(page amended 11/05/01)

• (page amended 2/5/01)

ARTICLE VI
Amendments of By-Laws

- These By-Laws may be amended, added to or altered only with the minimum written approval of two-thirds of the members of the Board of Governors and a majority of the members of the Board of Directors or with the written approval of two-thirds of the regular members voting. A copy of any amendment or changes to the By-laws of Willow Valley Club Association shall be furnished to all members of both Boards thirty (30) days prior to any meeting during which the proposed change will be discussed or voted. All membership voting shall be by secret ballot at the same time as directors elections. The results will be from members voting.

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ARTICLE VII
Inspection of Books

Any member of the Association shall have the right to inspect the books and records of the Association at all reasonable times.

ARTICLE VIII
Indemnification

Subject to the further provisions hereof, the Association shall indemnify any and all of its existing and former directors, governors, officers, employees and agents against all expense incurred by them and each of them, including but not limited to legal fees, judgments, penalties, and amounts paid in settlement or compromise, which may arise or be incurred, rendered, or levied in any legal action brought or threatened against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of employment as director, governor, officer, employee or agent of the corporation, whether or not any action is or has been filed against them and whether or not any settlement or compromise is approved by a court. Indemnification shall be made by the Association whether the legal action brought or threatened is by or in the right of the Association or by any other person. Whenever any existing or former director, governor, officer, employee, or agent shall report to the Chairman of the Board of Directors of the Association that he or she has incurred or may incur expenses, including but not limited to legal fees, judgment, penalties, and amounts paid in settlement or compromise in a legal action brought or threatened against him or her for or on account of any action or omission alleged to have been committed by him or her while acting within the scope of his or her employment as a director, governor, officer, employee or agent of the Association, the Board of Directors shall, at its next regular or at a special meeting held within a reasonable time thereafter, determine in good faith whether, in regard to the matter involved in the action or contemplated action, such person acted, failed to act, or refused to act willfully or with gross negligence or with fraudulent or criminal intent. If the Board of Directors determines in good faith that such person did not act, fail to act, or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action or contemplated action, indemnification shall be mandatory and shall be automatically extended as specified herein, provided, however, that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and, provided further, that the corporation shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the Association, at its own expense and through counsel of his own choosing, to defend him or her in the action.

- (page amended 2/5/01)

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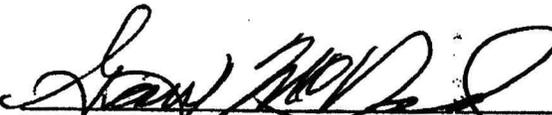
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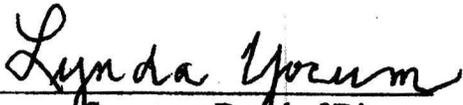
- These By-Laws, originally enacted February 18, 1977, have been supplemented and amended by action of the Board of Directors and the Board of Governors by amendments approved on the following dates: 1) December 11, 1978; 2) May 18, 1980; 3) November 3, 1980; 4) April 20, 1981; 5) April 18, 1982; 6) June 6, 1982; 7) February 7, 1983; 8) March 5, 1984, 9) March 1, 1992, 10) March 2, 1992; and 11) April 12, 1992 12) February 5, 2001, 13) May 7, 2001 .
- ADOPTED by action of the Board of Directors on the 5th day of February 2001, the 5th day of March 2001 and the 7th day of May 2001, and by action of the Board of Governors on the 7th day of May 2001.
- ☞ REVISION to By-Laws on Lot Assessments, Adopted by action of the Board of Directors on the 5th day of November 2001 and by action of the Board of Governors on the 7th day of January 2002.
- ❖ REVISION to By-Laws on Lot Assessments, Adopted by action of the Board of Directors on the 3rd day of March 2005 and by action of the Board of Governors on the 3rd day of March 2005.



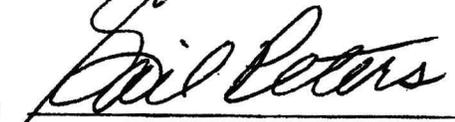
 Chairman, Board of Directors



 Chairman, Board of Governors



 Secretary, Board of Directors



 Secretary, Board of Governors

#4
ARTICLES OF AMENDMENT
TO ARTICLES OF INCORPORATION
OF WILLOW VALLEY CLUB ASSOCIATION

THIS IS TO CERTIFY that at a special meeting of the Board of Directors of Willow Valley Club Association, an Arizona corporation, held in Phoenix, Arizona, on February 18, 1977, the Board of Directors unanimously adopted the following amendments to the Articles of the corporation: Articles III, V, VI, VII, and VIII were amended to read as follows:

ARTICLE III

The principal place of business shall be in Mohave Valley, Arizona, but other offices may be maintained within the State of Arizona at such places as the Board of Directors may designate, where meetings of members and directors may be held and any and all activities carried on.

ARTICLE V

In furtherance of the aforesaid purpose and not otherwise, and subject to the aforesaid limitations, this Association shall have the following rights and powers:

TO limit its regular members to persons who are owners or purchasers of parcels or lots of certain real property;

TO file liens upon real property to secure the payment of obligations owed to the association by its members who are owners of such real property, and to collect, foreclose or otherwise enforce, compromise, release, satisfy and discharge said liens, and do all other things necessary to the filing, maintenance, enforcement and discharge of said liens;

TO provide recreational facilities for the use and enjoyment of all members of the association;

**RECORDER'S MEMO: Legibility
Questionable For Good Reproduction**

EXHIBIT
-1-

TO acquire, own, sell and otherwise dispose of and deal in stocks, bonds, mortgages, securities, notes and commercial paper of corporations, trusts and individuals; to purchase, hire, build, erect, own and manage buildings, structures and facilities of every kind and nature, and to buy, own, sell, operate, lease and occupy lands and buildings, structures and facilities of every kind and nature; to take, acquire, buy, own, hold, manage, develop, work, sell, convey, enjoy, use, lease, mortgage, exchange, improve and otherwise operate, deal in and dispose of real estate, buildings, structures, facilities and improvements; and to enter into any and all manner and kind of contracts with reference thereto; to purchase, or otherwise acquire, own, mortgage, pledge, sell, assign and transfer, or otherwise dispose of, goods, wares, merchandise, supplies and personal property of every class and description; to acquire and pay for in cash, stocks, bonds and other securities of any corporation, trust or individual, or otherwise, and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm, association or corporation.

TO borrow money and to mortgage or pledge any or all of its real or personal property to secure repayment thereof.

In general, to do and perform such acts and things and transact such business in connection with the foregoing objects not inconsistent with the law in any part of the world, as the Board of Governors and Board of Directors may deem to be the advantage of the Association.

-ARTICLE VI

There shall be such classes of memberships as from time to time may be provided by the By-Laws of Association. Regular membership consists of persons who own or have contracted to purchase real property in the subdivisions of Mohave County, Arizona, described below and in such other areas of what is commonly known as "Willow Valley" as may be designated from time to time by the Board

**RECORDER'S MEMO: Legibility
Questionable For Good Reproduction**

of Directors of this corporation, the Board of Directors of McKellips Land Corporation, or its successors, or any individual member of the Board of Directors of McKellips Land Corporation serving at the time of the adoption of this Article. "Willow Valley" shall include, and real property areas which may be designated shall be located within, Sections 21, 23, 25, 27 and/or the North half of Section 35 T.18N., R.22W., G.&S.R.B.&M., Mohave County, Arizona.

Qualifying subdivisions presently include:

Willow Valley Estates
Willow Valley Estates Two
Willow Valley Estates Three
Willow Valley Estates Four replatted
Willow Valley Estates 5
Willow Valley Estates Six
Willow Valley Estates Seven
Willow Valley Estates 8
Willow Valley Estates 8-A
Willow Valley Estates 9 replatted
Willow Valley Estates 10
Willow Valley Estates 11
Willow Valley Estates 12
Willow Valley Mobile Home Estates 14
Willow Valley Mobile Home Estates 15
Willow Valley Mobile Home Estates 16
Willow Valley Mobile Home Estates 17
Willow Valley Mobile Home Estates 18

Additional qualifications and provisions for the retention of membership privileges and the obligations of each class of membership shall be as provided in the By-Laws of the Association.

ARTICLE VII

Board of Directors

The management of this Association and the conduct of its affairs shall be vested in two boards, a Board of Directors and a Board of Governors.

The Board of Directors shall be comprised of not less than nine nor more than fifteen regular members of the Association as established in the By-Laws. One director shall be selected by and from the Board of Governors, three directors shall be the standing

RECORDER'S MEMO Legibility
Questionable For Good Reproduction

committee chairmen who are selected by the other directors and the remaining directors shall be elected by the regular members and installed at the annual meeting of the Association. Commencing with the year 1978, the annual meeting shall be held on the Saturday immediately preceding Easter Sunday of each year. The elected directors shall be installed at the annual meeting of the Association and shall hold office for a term not in excess of two years, as provided by the By-Laws and until their successors have been elected and qualified. Any and all vacancies in the Board of Directors, or in any office except the Board of Governors and except for the director's position filled by the governors may be filled by the remaining directors, and the person so chosen to fill a vacancy shall serve during the unexpired term of its predecessor and until his successor be elected and qualified.

The permanent standing committees of the Board of Directors shall be:

- (a) the Recreation and Entertainment Committee;
- (b) the Building and Maintenance Committee;
- (c) the Publicity and Communication Committee.

Each committee shall consist of a Chairman and as many additional members as the Chairman shall select. The Chairman shall be a member of the Board of Directors. The committee chairmen shall be selected by the Board of Directors at the first directors' meeting following each annual meeting to serve until the close of the next annual meeting. The function of the standing committees shall be provided in the By-Laws. The Board of Directors may select such additional committees as it deems expedient but the chairmen selected therefor shall not serve as members of the Board of Directors unless otherwise elected by the general membership.

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Board of Governors

The Board of Governors shall be comprised of not less than nine nor more than thirteen regular members of the Association. The first Board of Governors shall be composed of all presidents and vice-presidents of the Association (whether of the former active or regular members) who reside in Willow Valley and have served a full term of office at the date of adoption of this Article, plus one governor selected by the Board of Directors. The first board shall serve a term of a minimum of one year which commences with the term of the newly elected directors in the year 1977. After the first year, the term of office of each member of the Board of Governors shall terminate seven years after the date his last term as an officer or director expired, except for the term of the governors elected annually by the Board of Directors which shall be for one year only. Upon termination of the original term of an original member of the Board of Governors, if such term is less than seven (7) years, such member may be re-elected for another full term; otherwise, a member of the Board of Governors may serve only one seven-year term. Vacancies on the Board of Governors shall be filled by election by the remaining members of the Board of Governors from all regular members of the Association residing in Willow Valley who have served the Association in any capacity (whether of the former active or regular members) as an elected officer or director. The members of the Board of Governors shall be elected at a meeting to be held following the annual meeting of the Association and shall hold office until the termination of their term, and until their successor shall have been elected and qualified. Any and all vacancies on the Board of Governors may be filled by the remaining Board members and the person so chosen to fill a vacancy shall serve during the unexpired term of his predecessor and until his successor be elected and qualified.

Except as is otherwise specifically reserved to the Board of Governors, the management and business affairs of the Association shall be vested in the Board of Directors. The Board of Governors

shall exercise the following functions:

1. Establish the budget for the Club Association in conformity with the By-Laws. Apportionment of the funds so budgeted, except for the portion designated by the Board of Governors for its own use, shall be the function of the Board of Directors.
2. Manage the building fund of the Association.
3. Conduct an annual audit of the Association's financial records.
4. Designate one or more of their members to co-sign all checks or otherwise approve all expenditures by the treasurer.
5. Serve as a nominating committee and supervise all annual elections by the regular members of the officers and directors and install new officers and directors.
6. Make changes and amendments to the By-Laws as prescribed therein with the joint approval of the Board of Directors.
7. Act as transfer agent of the Association and record all transfers of membership and cancel and preserve all certificates of memberships transferred.

Officers

Commencing with the annual election in 1978, the officers to be elected by the regular members of the Association shall be limited to a Secretary and Treasurer who shall also be members of the Board of Directors. The Board of Directors shall select a Chairman and Vice-Chairman and such other officers as the Board of Directors may from time to time elect, and said officers shall hold office for one year and until their successors have been elected and qualified. The Chairman shall be the chief executive officer of the corporation. During the year 1977, the elected President and Vice-President shall serve as Chairman and Vice-Chairman of the Board of Directors. There shall be no limit to the number of terms of office to which the Secretary and Treasurer may be elected. The

AMENDED ARTICLES OF AMENDMENT TO THE ARTICLES OF
INCORPORATION OF THE WILLOW VALLEY CLUB ASSOCIATION
ARTICLE VIII, PAGE 7

ARTICLE VIII

The time of commencement of this Association shall be when the Articles have been filed in the office of the Arizona Corporation Commission, and a certified copy thereof recorded in the office of the County Recorder of Maricopa County, Arizona, and its existence shall be perpetual. Notwithstanding any other provision of the law, these Articles or the By-Laws to the contrary, These Articles may not be amended without the prior written approval of the Board of Governors, Board of Directors and sixty-six and two-thirds percent (66-2/3%) of the regular members of the Association voting. In the event of the liquidation, dissolution or termination of this Association for any reason, any assets remaining after payment of, or making provisions for, all liabilities of the Association, shall be disposed of for the purposes of the Association in such manner or to such organization or organizations as shall at the time qualify as an exempt organization or organizations under Section 501 (c) (7) of the Internal Revenue Code of 1954 (or corresponding provisions of any subsequent Federal tax laws) as the Board of Directors shall select or, failing such selection, as selected by a judge of the Superior Court, Mohave County, Arizona.

This Association is organized without, and has not issued, any shares of stock.

IN WITNESS WHEREOF, this Articles of Amendment is executed through its undersigned authorized officers, on February 14, 2004.


Chairman, Board of Governor's


Chairman, Board of Director's

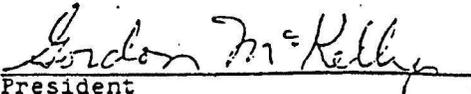
Chairman and Vice-Chairman of the Board shall not be permitted to serve consecutive terms.

ARTICLE VIII

The time of commencement of this Association shall be when the Articles have been filed in the office of the Arizona Corporation Commission, and a certified copy thereof recorded in the office of the County Recorder of Maricopa County, Arizona, and its existence shall be perpetual. Notwithstanding any other provision of the law, these Articles or the By-Laws to the contrary, these Articles may not be amended without the prior written approval of the Board of Governors, the Board of Directors and eighty-five percent (85%) of the regular members of the Association. In the event of the liquidation, dissolution or termination of this Association for any reason, any assets remaining after payment of, or making provisions for, all liabilities of the Association, shall be disposed of for the purposes of the Association in such manner or to such organization or organizations as shall at the time qualify as an exempt organization or organizations under Section 501(c)(7) of the Internal Revenue Code of 1954 (or corresponding provisions of any subsequent Federal tax laws) as the Board of Directors shall select or, failing such selection, as selected by a judge of the Superior Court, Mohave County, Arizona.

This Association is organized without, and has not issued, any shares of stock.

IN WITNESS WHEREOF, these Articles of Amendment are executed in duplicate by said corporation, through its undersigned authorized officers, on behalf of the corporation as of the day and year first above written.


President

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E. J. McKellips
Assistant Secretary

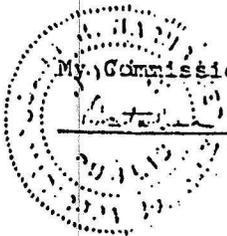
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BK 5655 PG 31 FEE#2005063182

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this 18th day of February, 1977, by GORDON McKELLIPS, as President, and EUNICE J. McKELLIPS, as Assistant Secretary, of WILLOW VALLEY CLUB ASSOCIATION, an Arizona non-profit corporation, on behalf of the corporation.

J. C. R. McWilliams
Notary Public

My Commission Expires:
October 30, 1978



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ARTICLES OF INCORPORATION
OF
WILLOW VALLEY CLUB ASSOCIATION

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BK 5655 PG 32 FEE#2005063182

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, whose hands are hereunto affixed, desiring to form a non-profit corporation under the laws of the State of Arizona, have associated ourselves together for that purpose and hereby adopt the following Articles of Incorporation.

ARTICLE I

The names; residences and post office addresses of all the incorporators and directors are:

C. H. McKellips
140 East Coronado Road
Phoenix, Arizona

Mae J. McKellips
140 East Coronado Road
Phoenix, Arizona

Gordon W. McKellips
920 West Monte Vista Road
Phoenix, Arizona

The above named incorporators and directors were duly elected at the meeting held for that purpose on March 4, 1960 at 114 West Adams Street, Phoenix, Arizona.

ARTICLE II

The name of the association shall be WILLOW VALLEY CLUB ASSOCIATION.

ARTICLE III

The principal place of business shall be in Phoenix, Maricopa County, Arizona, but other offices may be maintained

EXHIBIT

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within the State of Arizona at such places as the Board of Directors may designate, where meetings of members and directors may be held and any and all activities carried on.

ARTICLE IV

The sole purpose and objective of this association is to afford pleasure and recreation to its members and this association is not organized for the purpose of gaining pecuniary profit. No part of the net earnings, if any, of this association shall inure to the benefit of any person or member. This association is organized without, and shall not have or issue, capital stock.

ARTICLE V

In furtherance of the aforesaid purpose and not otherwise, and subject to the aforesaid limitations, this association shall have the following rights and powers:

TO limit its regular members to persons who are owners or purchasers of parcels or lots of real property designated by its Board of Directors;

TO approve or disapprove any and all changes in occupancy or ownership of parcels or lots of real property or of any subdivision of real property, and any and all changes or alterations in the exterior of structures situated thereon, and the design, materials and erection of any and all new structures thereon;

TO file liens upon real property to secure the payment of obligations owed to the association by its members who are owners of such real property, and to collect, foreclose or otherwise enforce, compromise, release, satisfy and discharge said liens, and do all other things necessary to the filing, maintenance, enforcement and discharge of said liens;

TO provide recreational facilities for the

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use and enjoyment of all members of the association;

TO take any action necessary to enforce those covenants, restrictions, reservations and conditions which at present affect or in the future will affect real property to the owners of which regular memberships in the association are issued upon their acquisition thereof;

TO acquire, own, sell and otherwise dispose of and deal in stocks, bonds, mortgages, securities, notes and commercial paper of corporation, trusts and individuals; to purchase, hire, build, erect, own and manage buildings, structures and facilities of every kind and nature, and to buy, own, sell, operate, lease and occupy lands and buildings, structures and facilities of every kind and nature; to take, acquire, buy, own, hold, manage, develop, work, sell, convey, enjoy, use, lease, mortgage, exchange, improve and otherwise operate, deal in and dispose of real estate, buildings, structures, facilities and improvements; and to enter into any and all manner and kind of contracts with reference thereto; to purchase, or otherwise acquire, own, mortgage, pledge, sell, assign and transfer, or otherwise dispose of, goods, wares, merchandise, supplies and personal property of every class and description; to acquire and pay for in cash, stocks, bonds and other securities of any corporation, trust or individual, or otherwise, and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm, association or corporation.

TO borrow money and to mortgage or pledge any or all of its real or personal property to secure repayment thereof;

In general, to do and perform such acts and things and transact such business in connection with the foregoing objects not inconsistent with the law in any part of the world, as the Board of Directors may deem to be the advantage of the association.

ARTICLE VI

Membership in this association shall be limited to those persons who are acceptable to and who are approved by the

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Board of Directors or such membership committee as may be selected by the Board of Directors.

There shall be two classes of membership, active and regular, and such additional classes of memberships as from time to time may be provided by the By-Laws of the association. Active members shall consist of the incorporators of this association and such regular members as from time to time may be elected by the active members. Regular members shall consist of persons who own real property in areas designated by the Board of Directors or who have contracted to purchase such real property.

Additional qualifications of membership and provisions for termination of membership, and the privileges and obligations of each class of membership, shall be as provided in the By-Laws of this association.

ARTICLE VII

The management of this association and the conduct of its affairs shall be vested in a Board of Directors comprised of not less than three nor more than five active members of the association, who shall be elected by the active and regular members at the annual meeting of the association, which shall be held on the third Saturday in March of each year, commencing with the year 1961. The directors shall be elected at the annual meeting of the association and shall hold office until the next annual meeting of the members, and until their successors shall have been elected and qualified. The Board of Directors shall have the power to adopt By-Laws and to change or amend the same as may be expedient. Any and all vacancies in the board of directors or in any office may be filled by the remaining

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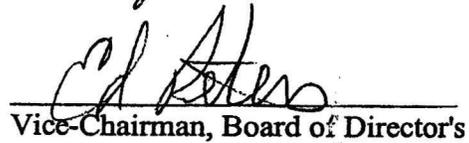
AMENDMENT TO THE ARTICLES OF INCORPORATION
OF THE WILLOW VALLEY CLUB ASSOCIATION
ARTICLE IX, PAGE 5

ARTICLE IX

The highest amount of indebtedness or liability direct or contingent to which this association is at any time to subject itself is \$750,000.00.

IN WITNESS WHEREOF, this Articles of Amendment is executed through its undersigned authorized officers, on February 12, 2005.


Chairman, Board of Governor's


Vice-Chairman, Board of Director's

3231 280

directors, and the person so chosen to fill a vacancy shall serve during the unexpired term of his predecessor and until his successor be elected and qualified.

The officers of the association shall consist of a President, Vice President and Secretary-Treasurer, and such other officers as the board of directors may from time to time elect, and said officers shall hold office for one year and until their successors have been elected and qualified. The first officers of the association shall be C. H. McKellips, President; Mae J. McKellips, Vice President; and Gordon W. McKellips, Secretary-Treasurer.

ARTICLE VIII

The time of commencement of this association shall be when the Articles have been filed in the office of the Arizona Corporation Commission, and a certified copy thereof recorded in the office of the County Recorder of Maricopa County, Arizona, and its termination shall be twenty-five years thereafter, with the power of renewal as provided by law.

ARTICLE IX

The highest amount of indebtedness or liability direct or contingent to which this association is at any time to subject itself is \$200,000.00.

ARTICLE X

Members may be required to pay such reasonable fees, assessments or dues annually or at other stated times as may be established by the board of directors in accordance with the By-Laws.

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ARTICLE XI

The private property of the incorporators, members, directors and officers of this association shall be forever exempt from corporate debts and liabilities.

ARTICLE XII

C. A. CARSON, III, of Phoenix, Maricopa County, Arizona, who has been a bona fide resident of the State of Arizona for at least three years, is hereby appointed the lawful agent of this association to accept and acknowledge service and upon whom may be served all necessary process or processes in any action, suit or proceedings that may be brought against this association in any of the courts of the State of Arizona and for all purposes required by law. The board of directors of this association may revoke said appointment and appoint a new agent for such purposes at any time.

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IN WITNESS WHEREOF, the incorporators have hereunto set their hands and seals the 24th day of March 1960.

s/ C. H. McKELLIPS
C. H. McKellips

s/ MAE J. McKELLIPS
Mae J. McKellips

s/ GORDON W. McKELLIPS
Gordon W. McKellips

STATE OF ARIZONA }
County of Maricopa } ss.

On this the 25th day of March 1960, before me, the undersigned officer, personally appeared C. H.

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McKELLIPS, MAE J. McKELLIPS and GORDON W. McKELLIPS, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

CLAIRE M. STONE

Notary Public

My commission expires:
My Commission Expires Feb. 6, 1962
Seal)

55400

ARIZONA CORPORATION COMMISSION
INCORPORATED DIVISION

DKT 3231 PAGE 282

APR 3, 1960

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At 4:10 P. M. at request of
Cunningham, Carson & Messenger
Address Title & Trust Building
Phoenix, Arizona
By Florence Barry
FRANCIS J. BYRNE, SECRETARY

Filed and Recorded at Request of *L.A. Carson II*
APR 4 1963 Min. Post 9:00 o'clock
in Book ~~206~~ DOCKET NO. 60 Pages 305-3
Records of Mohave County, Arizona.

By *[Signature]* Deputy Recorder
[Signature] Recorder

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Phoenix, Ariz

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WAS FILED AND RECORDED

AT THE OFFICE OF THE

CLERK OF THE SUPERIOR

COURT IN THE COUNTY OF

MOHAVE, ARIZONA

THIS 4TH DAY OF APRIL

1963

BY *[Signature]*

CLERK OF THE SUPERIOR

COURT

MOHAVE COUNTY, ARIZONA

RECORDED

INDEXED