

OUTLINE OF PROPOSED CHANGES TO THE CC&RS AND BYLAWS

BACKGROUND

CC&Rs and Bylaws are legally binding governing documents that are in place for the benefit to the community, to enrich property value, and uphold community standards. CC&Rs are the “what” of an HOA by outlining the Association’s authority and obligations and define the rights and responsibilities of Association members (owners).

Bylaws are the “how” things get done. Examples include voting, meetings, and how the Board of Directors are to govern the Resort.

Changes we are proposing to the CC&Rs will also require changes to the Bylaws. Any changes made to these documents require approval from a majority of the Owners. If approved, these documents will supersede and replace the existing CC&Rs and Bylaws.

SUMMARY OF THE MAJOR PROPOSED CHANGES TO THE CC&RS.

1. Irrelevant Provisions:
 - Removed all references to the Declarant (prior Developer).
2. Provisions to Comply with Changes to Arizona State Statutes:
 - Updated Board removal process at Section 3.4.2 (*A.R.S. § 33-1813*)
 - Removed proxy voting at Section 3.3.2 (*A.R.S. § 33-1812*)
 - Added clarification regarding Association records at Section 3.14 (*A.R.S. § 33-1805*)
 - Updated sign restrictions at Section 11.6 (*A.R.S. § 33-1808*)
 - Added language regarding rental restrictions at Section 11.24 (*A.R.S. § 33-1806.01*)
3. Provisions to Help the Association Operate More Smoothly:
 - Added definition of “Arizona Room” at Section 1.2
 - Clarified types of charges in “Special Assessment” at Sections 1.4.2
 - Added definition and explanation of “Pass-through Assessment” at Sections 1.4.5, 5.2, and 5.5
 - Clarified “Common Expenses” in Sections 1.11(e), 5.2, 5.5
 - Expanded the definition of “Residence Vehicle” at Section 1.30
 - Added a definition of “Villa” at Section 1.32
 - Clarified the Board’s authority to suspend Owner’s or Members’ rights to use Common Area at Section 2.1.4
 - Decreased allowed expenditure amount by Board President and revised approval process at Section 3.5.2
 - Simplified the process for obtaining the “Approval of Owners” at Section 3.7
 - Revised language regarding the mandatory restoration of improvements after destruction at Section 7.2
 - Added language regarding Arizona Rooms and Villas to the Owners’ Maintenance Responsibility provision and to the Residential Use provision at Sections 9.1 and 11.1

- Added language permitting the Board to develop rules regarding the provision of landscaping services in unique areas of the community at Sections 5.4.4, 10.8
 - Added process to allow removal of RV on lot with defined Arizona Room at Section 11.1 to be consistent with Rules and Regulations.
 - Added language about the Board's discretion to determine nuisances at Section 11.8
 - Added a non-waiver provision at Section 13.2
 - Updated language regarding options for sending notices to Member at Section 17.1
4. Provisions that are felt to benefit the Residents:
- Removed requirement for golf course owner to be on the Board, modified provision related to golf course easements, and removed language about the potential development of Association property as a golf course at Sections 3.4.3, 4.5, 15.2
 - Added one-time exemption to the Asset Improvement Fee for specific Owners at Section 5.16(h)
 - Added a sex offender occupancy restriction at Section 11.26

SUMMARY OF THE MAJOR PROPOSED CHANGES TO THE BYLAWS

1. Irrelevant Provisions:
 - Removed all references to the Declarant (prior Developer).
2. Provisions to Comply with Changes to Arizona State Statutes:
 - Added provision to allow electronic voting in Section 3
 - Changed proxy ballot to absentee ballot
 - Removed Section 11 that previously allowed "Action Taken Without a Meeting"
 - Added clarification regarding Association records at Article V, Section 1 (A.R.S. § 33-1805)
3. Provisions to Help the Association Operate More Smoothly:
 - Change number of Board members to "nor more than seven" in light of removal of golf course representative.
 - Provided process to facilitate election of officers to staggered terms.
 - Added option for a Golf Course Relations Committee