

CONTINENTAL COUNTRY CLUB, INC.
AN ARIZONA NON-PROFIT CORPORATION

SECOND AMENDED AND RESTATED BYLAWS

RECITALS

WHEREAS, Continental Country Club, Inc., an Arizona nonprofit corporation, is governed by its Bylaws, as they may be amended from time to time;

WHEREAS, Pursuant to Section 7.1 of the Amended and Restated Bylaws, the Bylaws may be amended by a vote of two-thirds (2/3) of the Directors entitled to vote;

WHEREAS, the Board of Directors, by a vote of two-thirds (2/3) of the Directors, has adopted amendments to the Amended and Restated Bylaws and wish to incorporate those amendments into the Amended and Restated Bylaws;

NOW, THEREFORE, the Amended and Restated Bylaws are amended in their entirety as follows:

ARTICLE I. MEMBERSHIP

1.1. *Membership.* Every property owner of the Development shall be a member of the corporation. Each member shall have the rights, privileges and restrictions of membership as described in these Bylaws or as may later be determined by the Board of Directors. The Board of Directors may establish member categories with differing rights and privileges, fees and obligations.

1.2. *Dependents.* The privileges of a member shall be extended to their spouse and to their unmarried dependent children under the age of 21 or a full-time student under the age of 25.

1.3. *Guest Cards.* Guest Cards may be issued pursuant to rules and regulations set by the Board of Directors.

1.4. *Membership Dues.* Within thirty (30) days prior to the end of each year, the Board of Directors shall set the assessments for membership and the annual dues of membership for the next succeeding year, and all members shall be sent notice should that assessment be changed. In addition to the yearly assessments, the Board of Directors may institute reasonable user fees on recreation facilities including, but not limited to, the golf course, swimming pool and tennis courts. These user fees may differ according to member category.

1.5. *Rules and Regulations.* All members shall abide by such rules and regulations for the use of facilities of this corporation as may be promulgated and amended by the Board of Directors from time to time.

1.6. *Membership Cards.* Members shall receive annual membership cards upon the completion of an appropriate membership form.

1.7. *Membership Voting*

a. *Number of Votes.* Members with voting rights shall be entitled to one (1) vote per Continental Country Club lot owned. If there is more than one owner of any lot, all of the owners of such lot shall designate one person to be the voting member. If one person owns more than one lot, such person shall be limited to one membership but shall be entitled to one vote for each lot owned. In the case of the election of a director as outlined in these Bylaws, each voting member shall be entitled to one (1) vote per lot per Board position to be filled. The method of voting of time share property shall be governed by the rules of the particular developments so long as they are not in violation of these Bylaws. Members shall be entitled to vote only on those matters specifically set forth in the Declarations of Restrictions, together with those matters brought before the members for a vote by resolution of the Board of Directors.

b. *Voting.* A member may vote either in person or by absentee ballot executed in writing, on a form supplied and approved by the Board of Directors. If a voting member owns more than one lot a separate ballot shall be executed for each lot owned.

c. *Cumulative voting.* Cumulative voting shall not be permitted.

1.8. *Suspension.* In addition to any remedies provided for in the Declarations of Restrictions of any subdivision in the Development, upon failure of any member to pay the assessments due under the Declarations or the annual dues set by the Board of Directors or upon the breach by any member (or the spouse or dependents of any member) of any of the rules and regulations promulgated by the Board of Directors, the Board of Directors may suspend all or a portion of the rights of such member. Suspension of a member shall not relieve the member of the obligation to pay any such amount which is due and outstanding, and in the event of the conveyance of a Lot in the Development, the purchaser of such Lot shall not be allowed to exercise any of the rights or privileges of the voting membership until the entire indebtedness to the corporation of the seller of such Lot and the purchaser thereof have been paid in full. The provisions of this Section shall not limit the right of the Board of Directors to file suit to collect any amounts due or to exercise any other remedy available at law.

1.9 *Increase in Annual Assessment.* The Association may increase the maximum annual assessment at any time with the assent of two-thirds (2/3) of the Association members who are voting in person or by absentee ballot at a duly-called meeting of the members after not less than thirty (30) days written notice to all members. Quorum for this meeting shall be the presence, in person or by absentee ballot, of members entitled to cast at least (10%) of the votes within the Association.

ARTICLE II. BOARD OF DIRECTORS

2.1. *Number.* The number of Directors of the corporation shall be nine (9).

2.2. *Election.* Directors shall be elected at the annual meeting of this corporation by the members.

2.3. *Nomination.* Nominees for the position of Director shall be offered by:

a. *Application* - supplied and approved by the Board of Directors, completed and signed by the interested member. Such application shall be submitted to the Board of Directors no less than forty-five (45) days before the election.

b. *Eligibility.* Members of the Association are eligible to run for the Board of Directors, so long as such Member is not delinquent in the payment of any assessments due to the Association for a period of more than sixty (60) days, and so long as such Member is not in violation of any provision of the Covenants, Conditions, and Restrictions (CC&Rs) that govern the member for a period of more than sixty (60) days. In the event that, during his term of office, a Director becomes delinquent in the payment of any assessment for a period of more than sixty (60) days, or is in violation of the CC&R's that govern the Member for a period of more than sixty (60) days, such Director shall be automatically removed from office, and that Director's position shall be deemed vacant. The remaining Directors may appoint a qualifying Member to fill the vacancy created at that time.

2.4. *Election and Term.* A member must be in good standing with the Continental Country Club Homeowners Association in order to run for a position on the Board of Directors. The Directors shall be elected by the members at the annual meeting to staggered three-year terms, such that three (3) positions shall be filled at every annual meeting. The nominees receiving the most votes at the duly called election shall fill those vacancies being elected. Each Director shall hold office until the expiration of the term for which he is elected and until his successor has been elected and qualified, or until his prior resignation or removal. In addition to the voting members of the Board of Directors, there is hereby established a position for a non-voting member of the Board. This position shall be held by the managing agent for Tanglewood Townhouse Association, Inc. ("Tanglewood") and Ridgewood Townhouses Property Owners Association, Inc. ("Ridgewood"). The purpose of establishing this position is because of the unique needs of the members of these two communities as timeshare communities. This position shall not be a voting position. However, the Board member shall be entitled to all of the benefits afforded a regular Board member, including, but not limited to, participation in Board meetings and receipt of Board packets, other than the ability to vote. So long as the present managing agent is the managing agent for Tanglewood and/or Ridgewood, the Association shall maintain this position. However, if the present managing agent is no longer the managing agent for Tanglewood and/or Ridgewood, the Association, through its Board of Directors, may terminate this position. Notwithstanding the amendment provisions in the Bylaws, this provision may not be amended without the majority vote of the Board and the approval of the Board of Directors for Tanglewood and Ridgewood.

2.5. *Removal/Resignation.* Any Director may be removed, for cause, including but not limited to being absent for no less than three (3) Board of Directors monthly meetings, by a two-thirds (2/3) vote of the Directors present at a duly constituted meeting of the Board. Any Director may resign at any time by giving written notice to the Board or its President. Any such resignation shall take effect at the date of the receipt of such notice or at any later date specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

2.6. *Duties.* The Board of Directors will have the authority to govern this corporation by making and directing policy on all matters relating to the objectives for which it has been

formed. The Board of Directors shall be responsible for all operations of this corporation.

2.7. *Place of Meetings.* Meetings of the Board of Directors shall be held at the principal office of the corporation or at such place within or without the State of Arizona as the Board shall authorize.

2.8. *Annual Meeting.* The Annual Meeting shall be held during the month of August of each year. The Board of Directors shall provide notice, in the manner outlined in these Bylaws, to all members entitled to attend such Annual Meeting and the individual Board Members no less than twenty (20) nor more than thirty (30) days prior to the date of the meeting.

2.9. *Regular Meetings.* At all duly called regular meetings, the Board of Directors shall set each successive regular meeting. Time, place and date of such scheduled regular meeting shall be posted at the Board's regular place of business no less than twenty (20) days prior to such meeting.

2.10. *Special Meetings.* Special meetings of the Board of Directors for any purpose or purposes authorized by statute, the Articles of Incorporation, or these Bylaws may be called at any time by the President or Secretary or upon the written request of any two Directors. Special Meetings shall be held on three (3) days' notice to each Director by mail or upon 24-hour notice given personally, by telephone or by email, which notice shall state the time, place and purpose of the meeting; except that a meeting may be held without notice if all Directors execute a written Waiver of Notice of such meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining written approval of all of the Directors, and upon placing a certificate executed by all the Directors reflecting such action; such action as so approved shall have the same effect as though taken at a meeting of the Directors.

2.11. *Notice.* Notices to Directors shall be in writing and delivered personally, by email to the Directors at the email on record or mailed to the Directors at their addresses appearing on the books of the association. Notice by email or mail shall be deemed to be given at the time when the same is sent. Notice of a meeting need not be given to any Director who submits a Waiver of Notice, whether before or after the meeting, or who attends the meeting without protesting the lack of notice either prior to the meeting or at its commencement.

2.12. *Waiver.* Whenever any notice is required to be given by statute, the Articles of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. When all of the Directors are present at any director's meeting, however called or noticed, and sign a written consent thereto on the records of such meeting, or if a majority of the Directors are present, and if those not present sign in writing a waiver of notice of such meeting, whether prior to or after the holding of such meeting, which said waiver shall be filed with the Secretary of the corporation, the transactions thereof are as valid as if had at a regularly called and noticed meeting. If any meeting be irregular for want of notice or of such consent, provided a quorum was present at such meeting, the proceedings of said meeting may be ratified and approved and rendered valid, and the irregularity or defect waived, by a writing signed by all parties having the right to vote at such meeting, which shall be filed with the Secretary of the corporation.

2.13. *Polling of Board for Action.* Any action required or permitted to be taken by the Board of Directors may be taken without a meeting and with the same force and effect as a vote of Directors, if, prior to taking such action, a poll of no less than a quorum of the Board results in a majority of said members consenting to such action.

2.14. *Quorum.* A majority of the Directors shall be necessary to constitute a quorum for the transaction 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 minority of the Directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business. A majority shall be defined for the purposes of this document as any number greater than fifty percent (50%). For the purposes of determining a quorum, vacancies on the Board of Directors shall not be considered. Example: twenty (20) Board seats; sixteen (16) filled, four (4) vacancies; nine (9) members are needed to constitute a quorum.

2.15. *Proxy.* There shall be no voting by proxy by the Board of Directors.

2.16. *Vacancies.* A vacancy shall be deemed to exist in case of the death, resignation or removal of any Director. The vacancy shall be filled by the election by any majority of the remaining directors, though less than a quorum, or by a sole remaining Director, and each Director so elected shall hold office for the term that the director that he/she is replacing would have. If the Board accepts the resignation of a Director tendered to take effect at a future time, the Board may elect a successor to take office when the resignation shall become effective. No reduction of the number of directors shall have the effect of removing any director prior to the expiration of his term of office.

ARTICLE III. OFFICERS

3.1. *Officers.* The officers of the corporation shall be a President, Vice-President, Secretary, Treasurer and Immediate Past President, and such additional officers as the Board of Directors may deem necessary. The officers shall be elected by the Board of Directors and shall hold office for a period of one year or until their successors are duly elected and qualified but shall be subject to removal by the Board of Directors. The officers shall have the duties, powers and responsibilities normally assigned to and possessed by the holders of their respective offices.

3.2. *Election.* The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 3 of this Article, shall be elected annually by the Board of Directors at its annual meeting, and each shall hold office until he/she resigns or shall be removed or otherwise disqualified to serve, or a successor shall be elected and qualified.

3.3. *Other Officers.* The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, having such authority and perform such duties as are provided in the Bylaws or as the Board of Directors may from time to time determine.

3.4. *Removal; Resignation.* Any officer may be removed, for cause, including but not limited to being absent for no less than 3 Board of Directors monthly meetings, by a majority of the directors at the time of office, at any meeting of the Board. Any officer may resign at any time by giving written notice to the Board or to its President. Any such resignation shall take

effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

3.6. *President.* The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. The President shall preside at all meetings of the members and the Board. The President shall be an ex officio member of all standing committees, if any. The President shall have the general powers vested in the office of President of a corporation, and such other powers and duties as may be presented by the Board of Directors or the Bylaws.

3.7. *Vice-President.* In the absence or disability of the President, the Vice-President 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-President shall have such other duties as from time to time may be prescribed by the Board of Directors or the Bylaws.

3.8. *Secretary.* 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, with the time and place of holding, whether annual or special, and if special, time and place of holding, how authorized, the notice thereof given, the names of those present at Directors' meetings, and the proceedings thereof. The Secretary shall give, or cause to be given, notice of all the meetings of the Board of Directors required by the Bylaws or by law to be given, and shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

3.9. *Treasurer.* The Treasurer shall keep and maintain or cause to be kept or maintained, adequate and correct-accounts of the properties and business transactions of the corporation. The books of account shall at all reasonable times be open to inspection by any director. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they request it, an account of all transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

3.10 *Immediate Past President.* Subject to the Bylaws the Immediate Past President shall provide advice and leadership to the Board of Directors regarding past practices and other matters, to assist the Board in governing the corporation. The Immediate Past President supports the President and the Vice-President on an as-needed basis. The Immediate Past President shall attend meetings and chair the Bylaws Committees. The Immediate Past President shall have served most recently in the Office of Board President.

ARTICLE IV.

INDEBTEDNESS

The highest total loan amount to which this corporation may be subject at any one time (versus other types of indebtedness or liabilities) shall not exceed Two Million Six Hundred Fifty Thousand Dollars (\$2,650,000.00).

ARTICLE V INSURANCE

The Association shall maintain in full force and effect director and officer liability insurance and fidelity insurance in such amounts as shall be determined by the Board.

ARTICLE VI. EXECUTION OF INSTRUMENTS

All corporate instruments and documents shall be signed or countersigned, executed, verified, or acknowledged by such officer(s) or other person(s) as the Board may from time to time designate.

ARTICLE VII. AMENDMENTS TO BYLAWS

7.1. *Amendment; Repeal.* These Bylaws may be amended, or new bylaws adopted and these repealed, by a vote of two-thirds (2/3) of the Directors entitled to vote.

ARTICLE VIII COMMITTEES

The Board may establish such committees as it deems appropriate to carry out such powers and duties as determined by the Board.

CERTIFICATION

The President of the Association hereby certifies that the amendments contained in the Second Amended and Restated Bylaws were duly adopted by the Board of Directors.

DATED this 22nd day of August, 2017.

Continental Country Club, Inc.

By: WILLIAM M. McGRATH

Name: William M. McGrath

Its: President of the Board