

**AMENDED AND RESTATED BYLAWS
OF
FLAGSTAFF GOLF ASSOCIATION**

ARTICLE ONE

OFFICES

The principal office of the corporation shall be located at 1855 N. Continental Drive, City of Flagstaff, County of Coconino, State of Arizona.

ARTICLE TWO

MEMBERS

SECTION 1. Classes of Members. The Corporation shall have three (3) classes of members. It is the fundamental policy of Flagstaff Golf Association to extend its membership to qualified persons without regard to race, color, creed, sex, national origin or disability.

The designation of such classes and the qualifications, limitations and rights of the members of such classes shall be as follows:

Voting Members. This class shall consist of a family or single member and shall not exceed 400 members, (a married couple counting as one member). The Board of Directors may, by a two-thirds (2/3) vote of all members of the Board, select a lesser number of members. Membership over 400 members shall be permitted by a 2/3 vote of the Voting Members voting.

Voting Members shall be entitled to all of the benefits of membership in the corporation as provided in these bylaws and in the corporation's rules and regulations promulgated from time to time by the Board of Directors. Upon the death of a married member, the membership shall be vested in the surviving spouse. Upon the death of an unmarried member, the membership may be willed to a legatee of the deceased member or passed to such deceased member's heir by intestate succession so long as such legatee or heir is approved for membership by the corporation. Members must be 21 years or older. The same privileges that a member enjoys shall extend to his/her spouse and unmarried daughters or sons, under 25 years of age, living at home, except as specified in rules adopted by the Board of Directors.

Associate Members. Associate Members shall be persons who at the time of application are not less than 21 years of age. An Associate Member will pay equal annual, interest-free installments calculated to have their membership fee paid in full in five years or by the time the Associate Member

reaches the age determined by a resolution of the Board of Directors whichever arrives first. The Associate Member must pay the first installment at the time of notification that a membership vacancy is available. No equity will accrue until the membership fee is paid in full. Associate Members forfeit any funds paid if the member does not fulfill their obligation on the original application. Associate Members will pay the same dues as a Voting Member, and have the same privileges as a Voting Member, except voting. This class of members will be limited to the number determined by a resolution of the Board of Directors, which shall be counted in the total Club membership. The cost of membership for the Associate Member will be the cost of membership at the time of notification that a membership vacancy is available.

Legacy Members. Legacy Members shall consist of past members of the corporation who were members in good standing at the time they relinquished their Voting Membership. Members in this class will be eligible to use the club facilities (excluding golf privileges). Persons applying for this class of membership must complete an application form and pay a one-time fee; fee is determined by a resolution of the Board of Directors. Legacy Members will be voted on by the Board of Directors in the same manner as Voting and Associate Members. A Legacy Member will have no equity in the corporation, will not receive a membership certificate nor have voting privileges. Legacy Members will not be required to pay Annual Dues or meet an annual minimum. A Legacy Membership is not transferable.

SECTION 2. Election of Members. Membership in the corporation in each class shall be by invitation of the Board only. A request that an invitation to membership be extended must be made in writing or attested to by at least two (2) members in good standing who are personally acquainted with the applicant. All applications shall be submitted to the Membership Committee of the Board for consideration and review. The Membership Committee will carefully examine all information and communications in reference to each proposed membership, and forward the membership committee recommendations to the Board at least seven (7) days prior to the monthly board meeting. All proceedings of the membership committee and the Board on applications shall be confidential. The affirmative vote of 2/3 of all the Board of Directors shall be required to admit the proposed member.

SECTION 3. Voting Rights. Each Voting Member in good standing shall be entitled to one vote on each matter submitted to a vote of the Voting Members, except that cumulative voting shall apply to the election of Directors.

SECTION 4. Termination of Membership. The Board of Directors, by affirmative vote of not less than eight (8) Directors of the Board, may suspend or terminate a member, for cause after an appropriate hearing. The grounds

for suspension or termination or other appropriate action may include, but not be limited to the following:

1. Disorderly conduct at the club
2. Conduct that is improper or prejudicial to the best interests of the club
3. Failure to comply with the financial policies of the Club.

Notice in writing of the hearing by the Board stating the grounds for the proposed suspension, expulsion or action, and notifying the member that he or she has a right to be heard, must be delivered to the member or mailed to the member's last known address shown on the records of the Club at least fifteen (15) days before the scheduled hearing.

SECTION 5. Transfer of Membership. Membership in this corporation is not transferable or assignable, except as hereinafter provided:

(a) **Married Members.** In the event a married person is accepted as a member or an unmarried member marries, ownership of such membership shall be vested jointly with rights of survivorship in both husband and wife so long as both shall be married to each other.

(b) **Divorced Members.** When a member divorces, ownership of the membership must be allocated to one or the other ex-spouse upon dissolution of the marriage. In the event of remarriage of the ex-spouse retaining ownership of the membership, such ex-spouse's new spouse shall automatically succeed to all rights and privileges of married members as set forth in paragraph (a) above.

(c) **Legal Expense.** Any legal expense incurred by the Flagstaff Golf Association as a result of any dispute over ownership of a membership certificate shall be an expense of the membership certificate in dispute.

SECTION 6. Resignation. Any member may resign by filing a written resignation with the Secretary but such resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments or other charges theretofore accrued and unpaid.

ARTICLE THREE

MEETINGS OF MEMBERS

SECTION 1. Annual Meeting. An annual meeting of the Voting Members shall be held in Flagstaff, Arizona, on the second Saturday in the month of September in each year, at such time and place as the Board of Directors may

establish for the purpose of hearing the results of the election of Directors and for the transaction of such other business as may come before the meeting.

SECTION 2. Special Meeting. The President, a majority of the Board of Directors, or not less than 10% of the Voting Members may call a special meeting of the Voting Members at a place designated by the Board of Directors. If no designation is made, the place of the meeting shall be the principal office of the corporation in the State of Arizona.

SECTION 3. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Voting Members shall be delivered either personally or by mail, to each Voting Member not less than ten (10) days nor more than thirty (30) days before the date of such meeting. Notice shall be sent at the direction of the Secretary. In case of a Special meeting or when required by statute or by these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at that person's address as it appears on the records of the corporation, with postage thereon prepaid.

SECTION 4. Quorum. Voting Members, either in person or by proxy, representing fifty percent (50%) plus one of the votes that may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

SECTION 5. Proxies. At any meeting of the Voting Members, a member entitled to vote may vote by proxy executed in writing by the member and delivered to the Secretary of the corporation. The provisions of the state statute dealing with proxies in an Arizona non-profit corporation shall apply.

SECTION 6. Voting by Mail. Where Directors are to be elected by members, such election may be conducted by mail in the manner provided by rules adopted by the Board of Directors, which shall be consistent with Arizona election laws. Ballots may be returned by mail or hand delivered to the corporation's office.

SECTION 7. Manner of Acting. A majority of the votes entitled to be cast on a matter to be voted upon by the Voting Members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption thereof unless a greater proportion is required by law or by these by-laws.

ARTICLE FOUR

BOARD OF DIRECTORS

SECTION 1. Number, Tenure, and Qualifications. The number of Directors shall be twelve (12) members, in addition to the immediate Past President of the corporation, if he or she is not serving as a Director. At each annual meeting of the members, four (4) persons shall be elected to the Board for a term of three (3) years commencing October 1 succeeding the annual meeting of the Voting Members. In addition, any Board vacancies for which an unexpired term remains shall be filled by the Board of Directors for a term expiring at the next annual meeting of the Voting Members. No member of the Board of Directors may serve more than six (6) consecutive years on the Board of Directors, provided however, that election or appointment to fill an unexpired term shall not be considered as a complete term, and provided further however that the immediate past president's one year membership on the Board does not violate this provision. Each member of the Board of Directors must be a Voting Member in good standing. Only one spouse of a Voting membership may serve on the Board of Directors at a given time.

SECTION 2. Regular Meetings. A regular meeting of the Board of Directors shall be held without any other notice than this Bylaw immediately after, and at the same place as, the annual meeting of Voting Members. The Board of Directors may provide, by resolution, the time and place for holding additional regular meetings without other notice than such resolution. Additional regular meetings shall be held at the principal office of the corporation unless otherwise designated.

SECTION 3. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any three (3) Directors, and shall be held at the principal office of the corporation or at such other place as the President or the Directors calling the meeting may determine.

SECTION 4. Notice. Notice of any special meeting of the Board of Directors shall be given at least seven (7) days previously thereto by written notice delivered personally or sent by mail, fax, or e-mail to each Director at his/her address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting shall be specified in the notice or waiver of notice of such meeting.

SECTION 5. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the

Board, but if less than a majority of the Directors are present at any meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

SECTION 6. Board Decisions. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

SECTION 7. Vacancies. Any vacancy occurring in the Board of Directors and any Directorship to be filled by reason of an increase in the number of Directors shall be filled by the Board of Directors. A Director appointed to fill a vacancy shall serve until the next annual meeting of the Voting Members, at which time an election will be held for the position.

SECTION 8. Unanimous Consent. Any act of the Board of Directors may be taken without a meeting if consent in writing setting forth the action so taken is signed by all of the Directors. The consent shall have the same force and effect as the unanimous vote of the Board of Directors.

SECTION 9. Rights of Inspection. Every Director shall have the absolute right at any reasonable time during regular business office hours to inspect and copy all of the corporate books, records and documents of every kind and to inspect the physical properties of the corporation, except as otherwise prohibited by law.

SECTION 10. Participation in Meetings by Conference Telephone. Meetings of the Board of Directors, whether regular or special, and any meeting of a duly constituted committee, may be held by means of conference telephone or similar communication equipment, by which all persons participating in the meeting can hear each other. Participation in the meeting pursuant to this section shall constitute the presence in person at such meeting.

SECTION 11. Powers of the Board. The Board of Directors shall manage the affairs of the corporation in accordance with the Articles of Incorporation, these Bylaws, and applicable law. Consistent with the purposes set forth in the Articles of Incorporation, this corporation shall have all the powers specified in Section 10-3302 of the Arizona Revised Statutes, as amended from time to time, and to do all and every thing necessary, suitable and proper for the accomplishment of the purposes either alone or in association with other individuals, corporations or other entities, and, in general, to do and perform acts and transact business in connection with the purposes not inconsistent with the law; provided however, the Board shall not:

(a) Encumber the real or personal property of the corporation to finance capital improvements to the corporation's property unless such action is approved by a vote equal to 2/3 vote of the Voting Members voting.

(b) Sell certain parcels of real property that are not part of the Golf Course that adjoin the golf course without first determining that one or more of these parcels could be sold to the advantage of the corporation and submit its recommendation and a description of the property proposed to be sold to a vote of the Voting Members, 2/3 of those voting being necessary to approve the sale.

(c) In the event the Board determines that it is to the best interest of the corporation to sell all of the assets of the corporation, its recommendation shall be submitted to a vote of the Voting Members, 2/3 of the total number of Voting Members being necessary to approve the sale.

(d) The Board of Directors may not establish any assessment for the purposes of capital improvements of the corporation, except with the approval of 2/3 of the Voting Members voting.

SECTION 12. Removal. Any elected or appointed Director may be removed for reasonable cause by a vote of not less than eight members of the Board of Directors whenever in their judgment the best interest of the corporation would be served thereby. The reasonable cause shall be explained to the membership.

SECTION 13. Action. No action shall be taken by the Board of Directors at any time which is in conflict with any provisions of the Bylaws or Articles of Incorporation.

ARTICLE FIVE

OFFICERS

SECTION 1. Officers. The officers of the corporation shall be a president, a vice president, a secretary, a treasurer, and such other officers as may be elected in accordance with the provisions of this article. The Board of Directors may elect or appoint such other officers, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two (2) or more offices may be held by the same person, except the office of President and Secretary. Officers must be members of the corporation and members of the Board of Directors.

SECTION 2. Election and Term of Office. The officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors, to take office the following first day of October. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as convenient. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor has been duly elected and qualifies.

SECTION 3. Removal. Any officer elected or appointed by the Board of Directors may be removed by a vote of not less than eight (8) members of the Board of Directors whenever in their judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

SECTION 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors until the next annual meeting of the Voting Members.

SECTION 5. Powers and Duties. The several officers shall have such powers and shall perform such duties as may from time to time be specified in resolutions or other directives of the Board of Directors.

(a) **President:** The President shall be the Chief Executive Officer of the Corporation. He shall preside at all meetings of the Voting Members and the Board of Directors. The President may sign, with the Secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, and in general, the President shall perform all duties incident to the office of President and such other duties as may be designated by the Board of Directors. As promptly as possible after taking office, the President shall appoint the standing and any special committees subject to the approval of the Board.

(b) **Vice President:** In the case of absence or in the event of the President's inability or refusal to act, the duties of that office shall be performed by the Vice President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Should both the President and Vice President be unavailable, the duties of that office shall be performed by the Secretary and in the case of his/her absence, by the Treasurer.

(c) **Secretary:** The Secretary shall keep the minutes of all the meetings of the Board of Directors and the meetings of the Voting Members; see that all notices are duly given in accordance with these

by-laws or as required by law; be custodian of the records of the corporation; keep a record of the post office address of each member of the corporation; shall be responsible for conducting the elections of the Voting Members in accordance with Article Six, section (g) of these bylaws; and shall perform all the duties ordinarily pertaining to the office of Secretary and such other duties as may be assigned to that office.

(d) **Treasurer:** The Treasurer shall have custody of and be responsible for all funds and securities of the Corporation, official records, documents, ledgers and accounts involving the financial business of the Corporation. The Treasurer shall be bonded or covered by insurance at the expense of the Club. All financial records and documents shall be kept and maintained at the Club offices. The records of the Club shall be subject to an audit each fiscal year by a Certified Public Accountant to be appointed by the Board and paid by the Club.

ARTICLE SIX

COMMITTEES

SECTION 1. Committees. The President, with the approval of the Board of Directors, shall appoint the chairman and shall approve all members of all committees as provided in the following sections. No committee may expend monies of the corporation without the prior approval of the Board of Directors. Committee member's terms expire on October 1.

SECTION 2. Standing Committees. The Standing Committees shall be as hereinafter set forth. The President is an ex-officio member of each committee.

(a) **Executive/Operating Committee.** The Executive Committee is charged with day to day operational matters relative to the ordinary running of the corporation. This Committee has the power to make emergency decisions (e.g., to take actions necessary to protect the corporation's property from further damage caused by fire, lightning, windstorm, theft, or vandalism) when specifically required, subject to subsequent approval of the Board of Directors. It is composed of five (5) members; i.e., the President, Vice President, Secretary, Treasurer and the Immediate Past President, and the membership of this committee is concurrent with the holding of those offices. If and when a General Manager is employed, the day to day operational matters of the corporation shall be handled by the General Manager.

(b) **Greens Committee.** This committee shall be responsible for the development, maintenance, preservation and protection of the golf course, its equipment and facilities. It shall recommend to the Board of Directors proposed improvements and alterations to the golf course and grounds. It shall consist of no less than (7) seven Voting Members, at least (2) of whom shall also be members of the Board of Directors, including the Chairman of the Golf Committee. The Chairman and a member of the Greens Committee shall also serve as the corporation's representatives to Flagstaff Golf Maintenance Company.

(c) **Golf Committee.** This committee shall be responsible for the conduct of all golf tournaments, social golf activities, special golf events and the scheduling and coordination thereof. It shall also recommend to the Board of Directors appropriate rules and regulations regarding the use and play on the golf course and implement such rules and regulations that are adopted by the Board of Directors. It shall consist of no less than seven (7) Voting Members, one of whom shall be a family member, and at least two members of the Board of Directors.

(d) **Membership Committee.** The Membership Committee is charged with respect to all matters concerning membership and that includes, without limitation, the acceptance of the applications for membership, the review of all said applications, the passing upon the applications and making recommendations on membership to the Board of Directors. The Membership Committee is charged in all respects with matters concerning new memberships, transfers of memberships or new membership classes. The Membership Committee shall consist of not less than seven (7) Voting Members, the chair of which shall be a member of the Board of Directors.

(e) **Finance Committee.** The Finance Committee is responsible for the financial affairs of the corporation including the preparation of an annual operating budget and an annual capital expenditures budget for submission to the Executive Committee and the Board of Directors. The Committee is also charged with the responsibility for reviewing the financial condition of the corporation from time to time and to make recommendations to the Executive Committee and to the Board of Directors regarding changes to the adopted budgets. All budgets and changes thereto shall not be effective until approved by the Board of Directors. The Finance Committee shall consist of not less than seven (7) Voting Members, the chair of which shall be the Treasurer.

(f) **House Committee.** The House Committee shall be responsible to oversee the operation of the Pro Shop and its related activities, the operation of the Bar & Grill and to assure the club house

and cart barn facilities are maintained in an appropriate manner. The Committee shall make recommendations to the Board of Directors as necessary and carry out the appropriate policies as may from time to time be adopted by the Board. The Committee shall consist of not less than seven (7) Voting Members, at least one of whom shall be a member of the Board of Directors.

(g) **Nominating Committee and Conduct of Elections.** The Nominating Committee shall be appointed on or before the second Saturday of June in each year. The names of the members of this Committee shall be and remain posted upon the Association bulletin board until the following annual election. No member of the Board of Directors shall be a member of such Committee and no member of such Committee shall be nominated by the Committee. Each member of this committee shall be a Voting Member in good standing.

No less than six (6) weeks before the annual meeting, the Nominating Committee shall prepare a list of candidates for the Board of Directors for the ensuing year and present such list to the Board of Directors. Further, a Voting Member may also be nominated as a candidate for the Board of Directors, by obtaining the signature of 10% of the members or twenty-five (25) Voting Members (whichever is more) of the corporation supporting such nomination, and presenting the petition to the Secretary, at least five (5) weeks before the annual meeting. All nominations shall be posted on the Association bulletin board for at least four (4) weeks before the annual meeting.

Upon the expiration of the time within which nominations may be made, the Secretary shall mail to each Voting Member at least thirty (30) days before the annual meeting of Voting Members a ballot, to be voted and the personal data of each candidate and a statement of that candidate's reason for seeking office. The names of the candidates shall be alphabetically arranged upon the ballot by the Secretary. A notation on the ballot shall be made identifying those candidates nominated by petition. The voted ballots shall be returned to the corporation no later than 5:00 p.m. on the Monday preceding the annual meeting.

The Board of Directors shall make appropriate provisions for the conduct of elections and shall appoint no less than three (3) Voting Members of the corporation as judges and tellers, who shall receive and promptly count the votes cast and file with the Secretary of the corporation a certificate duly signed showing the results of the election.

The Secretary shall announce the results at the annual meeting of Voting Members and post results upon the Association bulletin board.

(h) **Other Committees.** Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Voting Members of the corporation and the President shall appoint the members thereof. Any member thereof may be removed by the President with approval of the Board, whenever in his/her judgment the best interests of the corporation shall be served by such removal.

ARTICLE SEVEN

CONTRACTS, CHECKS, DEPOSITS, AND GIFTS AND SALE OF REAL PROPERTY

SECTION 1. **Contracts.** The Board of Directors may authorize any officer or officers or agent or agents of the corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or may be confined to specific instances.

SECTION 2. **Checks, Drafts, or Orders.** All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation, shall be signed in such a manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or Assistant Treasurer and countersigned by the President or a Vice President of the corporation or the Controller as directed by the Board of Directors.

SECTION 3. **Deposits.** All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

SECTION 4. **Gifts.** The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for any purpose of the corporation.

ARTICLE EIGHT

CERTIFICATES OF MEMBERSHIP

SECTION 1. **Ownership of Membership.** Except as provided in Section 6 of this Article, no membership certificate shall be issued to any firm, or corporation, but only to individuals who are duly elected members in their own names or in the name of the member's trustee, provided that the trust is for

the benefit of the member during his or her lifetime and, thereafter, for the benefit of one or more of his or her immediate family. The corporation shall follow the direction of the trustee of the trust as to the beneficiary entitled to such membership and that person shall be required to make application as prescribed in these Bylaws. Upon such transfer, fees will be determined as provided for in these Bylaws. The beneficiary shall be entitled to the certificate issued in the name of the trustee and enjoy all other rights and privileges of members whose shares are registered in their individual names. No one person may hold more than one membership share of this corporation. In the event two members marry and each holds a membership certificate, they shall notify the corporation of their intent to surrender one certificate pursuant to Section 5 of this Article. Dues shall be suspended on the surrendered certificate. Assessments and other charges shall be payable when due.

SECTION 2. Certificates of Membership. The Board of Directors shall provide for the issuance of certificates evidencing membership in the corporation, which certificates shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary. All certificates evidencing membership shall be consecutively numbered. The names and address of each member and the date of issuance of the certificate shall be entered on the records of the corporation. If any certificate is lost, mutilated, or destroyed, a new certificate may be issued therefore on such terms and conditions as the Board of Directors may determine.

SECTION 3. Issuance of Certificates. When a member has been elected to membership and has paid any membership fee and dues that may then be required, a certificate of membership shall be issued in his or her name and delivered to him or her by the Secretary.

SECTION 4. Indebtedness of Member. Any indebtedness owed to the corporation by a member shall constitute a lien upon his or her membership certificate and must be satisfied before such membership may be transferred on the books of the corporation.

SECTION 5. Transfer. No membership certificate shall be transferred on the corporation's books until the new member shall have paid a membership fee and a transfer fee in such amounts as may be fixed from time to time by the Board of Directors, except that no transfer fee shall be due or payable on the first transfer within the immediate family (grandparent, parent, child, stepchild, grandchild, spouse or spouse of a child) nor a transfer to a widow or surviving spouse if, concurrently with such transfer, the transferee is accepted as and becomes a member.

A member shall notify the corporation in writing of the member's intent to surrender his/her membership certificate. The selling member's privileges and obligations to pay dues, charges and assessments arising thereafter shall continue until such time as the corporation accepts the resignation by sale of the membership to a new member. After membership in the corporation reaches the maximum number permitted by these Bylaws or Board actions, whichever is lesser, such membership shall be resold to the applicant who has been on the waiting list the longest period of time at such price as the Board of Directors shall determine in its sole discretion. Upon such sale, the former member shall receive an amount calculated as follows: sale price less the transfer fee, as adopted annually by the Board of Directors, less any unpaid dues, charges and assessments owed by the selling member. Upon the transfer of the membership to a new member, the Secretary of the corporation shall enter such transfer upon the books of the corporation. In the case of a founding member, (those initial members purchasing their memberships for \$7,000.00), the amount received shall be the greater of the amount calculated pursuant to the foregoing provisions or \$7,000.00, upon the transfer of the membership to a new member. In the event of the expulsion of any member of the corporation, with the approval of the Board of Directors, the corporation may purchase such member's certificate. In such event, the purchase price shall be calculated in the same manner as set forth above.

SECTION 6. Sponsored Members. Any corporation or business entity which is a Voting Member and has sponsored members prior to the adoption of these Amended and Restated Bylaws shall continue to sponsor a maximum of three (3) members in the corporation, provided that each member sponsored by an employer must be accepted into membership in the corporation as provided in these Bylaws. Each sponsored membership is titled in the name of the individual in trust for the corporation and the corporation shall be the owner of the Membership Certificate. One free transfer to another sponsored member of the same business may be made for each of the sponsored members. Subsequent transfers will be charged the transfer fee as established by the Board of Directors. The corporation or business entity sponsoring the member shall agree to be responsible for any indebtedness incurred by the sponsored member. After the adoption of these Amended and Restated Bylaws, no new corporate or business entity will be issued.

ARTICLE NINE

BOOKS AND RECORDS

The corporation shall keep correct and completed books and records of account and shall also keep minutes of the proceedings of its Voting Members, Board of Directors, committees having and exercising any of the authority of the Board of Directors, and the Membership Committee, and shall keep at the principal office a record giving the names and addresses of the Voting

Members. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time during regular business office hours.

ARTICLE TEN

FISCAL YEAR

The fiscal year of the corporation shall be the calendar year.

ARTICLE ELEVEN

DUES

SECTION 1. Annual Dues. The Board of Directors shall determine from time to time the amount of initiation fee, if any, and annual dues payable to the corporation by members of each class, and shall give appropriate notice to the members.

SECTION 2. Payment of Dues. Dues shall be payable in advance and in full no later than the first day of April in each year. Dues may be payable in three equal monthly installments due on or before the last day of January, February and March, provided that all installments of annual dues are to be paid in full no later than the first day of April in each year. If the installment payment of dues is elected, then it shall be subject to a surcharge in an amount to be determined by the Board. Dues of a new member shall be prorated on a seven (7) month season from the first day of the month in which such new member is elected to membership.

SECTION 3. Delinquency and Suspension of Membership. When any member is delinquent in the payment of dues or charges his/her membership privileges shall be suspended until the delinquency is paid. The delinquent amount shall bear interest at a rate to be established by the Board from the sixtieth (60th) day after the due date until paid. If the delinquency remains unpaid for one hundred twenty (120) days, the delinquent member shall receive a letter from the Board of Directors stating that the outstanding balance of both the unpaid dues and interest shall be paid in full within thirty (30) days from the date of the letter or their membership will be terminated in accordance with the provisions of Article 2, Section 4 of these Bylaws.

Any member who is delinquent may appeal to the Board that payment will cause that member financial hardship, explaining in writing the nature of that hardship and proposing a plan of payment. The outcome of the appeal is at the sole discretion of the Board.

ARTICLE TWELVE

RULES AND REGULATIONS

The Board of Directors is empowered to adopt, amend and rescind from time to time such equitable, uniform and non-discriminatory rules and regulations as in the opinion of the Board may be necessary and desirable for the conduct of business and affairs of the corporation and to prescribe penalties for the breach thereof, and to fix a schedule of charges to be paid by the members of the corporation for the use and enjoyment of services furnished and rendered by the corporation for and on behalf of its members.

ARTICLE THIRTEEN

AMENDMENT BY BYLAWS

The Bylaws may be amended at any regular or special meeting of the Voting Members providing written notice is given thirty (30) days prior to the annual or special meeting at which time the vote is to be taken. A majority vote of a quorum of Voting Members shall be sufficient to adopt the amendment(s).

ARTICLE FOURTEEN

EMPLOYEES

It is the fundamental policy of the corporation to hire qualified persons without regards to race, color, creed, sex, national origin or disability. The employees must not be interfered with in the performance of their duties or reprimanded by members. Criticisms and suggestions should be reported to the appropriate department manager otherwise such matters should be discussed with the General Manager, if there is one, or with the President or the Executive Committee for resolution.

ARTICLE FIFTEEN

The corporation shall indemnify the directors and officers to the maximum extent authorized by A.R.S. 10-2305C, and any amendments thereto.

These Amended and Restated Bylaws constitute the Bylaws of Flagstaff Golf Association as adopted by the Voting Members on the 8th day of September, 2007.