

AMENDED AND RESTATED BYLAWS
OF
HAPPY TRAILS COMMUNITY ASSOCIATION
(Amended and Restated January, 2022)

ARTICLE I
Identity

Section 1. Declaration. These Bylaws shall govern the operation of Happy Trails Community Association (the "Corporation"), an Arizona nonprofit corporation governed by that Amended and Restated Declaration of Covenants, Conditions and Restrictions for Happy Trails Resort recorded on March 8, 2005 as Instrument No. 2005-0287124, official records of Maricopa County, Arizona, as amended from time to time, (the "Declaration"), which by this reference is incorporated herein.

Section 2. Terms. Used herein which are defined in the Declaration shall have the same meanings as the Declaration.

Section 3. Principal Office. The principal office of the Corporation shall be located in Surprise, Arizona.

ARTICLE II
Membership

Section 1. Members. As set forth in the Declaration and the Articles of Incorporation (the "Articles") of the Corporation, each Owner of a Lot shall be a Member of the Corporation so long as he shall be an Owner and such membership shall automatically terminate when he ceases to be an Owner, and upon the transfer of his ownership interest, the new Owner succeeding to such ownership interest shall likewise automatically succeed to membership in the Corporation. In the event that more than one Person holds ownership interest in any Lot, all such Persons shall be deemed to be Members of the Association but they shall collectively hold only a single membership in the Corporation.

Section 2. Meetings. Meetings of Owners shall be held at the principal place of business of the Corporation or at such other convenient place as may be designated by the Board of Directors. Annual meetings of the Owners shall be held on the third Tuesday in February in each year beginning at 7:00 P.M. or at such other time as the Board may select in its own discretion. Special meetings of the Owners may be called by the President or by a majority of the directors or by Owners having at least two-fifths of the votes entitled to be cast at such meeting. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof.

Section 3. Voting. As set forth in the Declaration, the voting rights of the Owners shall be as follows: An owner shall be entitled to one vote for each Lot owned. In the event that more than one Person holds an ownership interest in any Lot, all such Persons shall be deemed to be Members of the Association but they shall collectively hold only a single membership. The voting

for such Lot shall be as they determine among themselves, but in no event shall the vote be split or more than one vote cast with respect to any such Lot. If such Persons are unable to agree on how their single vote is to be cast, their vote shall not be counted. In any instance where a vote (whether by meeting, absentee ballot, or written ballot) and/or the written consent of the Members is required under the Articles, these Bylaws, or the Declaration, the Board may allow Members to vote by electronic means and/or may conduct the vote using an electronic voting system. In the event that a Member opts to vote by electronic means and/or that the Association utilizes an electronic voting system, a Member's electronic signature, whether in the form of an assigned pin, code, or other type of assigned voter identification number, shall constitute the Member's signature for purposes of compliance with Arizona law.

Section 4. Notice. Notice of all meetings of the Owners stating the time, the place and the objects for which the meeting is called shall be given by the President, Vice President or Secretary unless notice is waived in writing. Such notice must be in writing and addressed to each Owner entitled to vote at such meeting at his address as it appears on the books of the Corporation (or if no such address appears, at his last known address), and shall be mailed not less than ten days nor more than 50 days prior to the date of the meeting. Notice of meetings may be waived before, during or after the meeting.

Section 5. Quorum. A quorum of Owners for any meeting shall be constituted by Owners represented in person or by absentee ballot and holding twenty-five percent of the votes entitled to be cast at the meeting. In the event that the assemblage of Owners at any meeting is insufficient to constitute a quorum, the owners who are present, may adjourn the meeting to a time not more than 72 hours from the time the original meeting was called. A quorum for purposes of any such rescheduled meeting shall be constituted by Owners represented in person or by absentee ballot and holding ten percent of the votes entitled to be cast at the meeting. Unless the vote of a greater number is required by these Bylaws, the Articles, the Declaration or Arizona law, the affirmative vote of a majority of the Owners represented at a duly constituted meeting and entitled to vote shall be binding as the act of the Owners.

ARTICLE III Board of Directors

Section 1. Number and Qualification. The business, property and affairs of the Corporation shall be managed, controlled and conducted by a Board of Directors. The Board of Directors shall consist of not less than three nor more than seven members. The number of directors may be altered from time to time by resolution of a majority vote of the Board of Directors, or of the Owners at any regular or special meeting called for such purpose, but only within the limits prescribed by the Articles and these Bylaws. In the event of any increase in the number of directors in advance of the annual meeting, each additional director shall be elected by the then Board of Directors and hold office until his successor is elected and shall qualify. Each director shall be an Owner or the spouse of an Owner (or if an Owner is a corporation, partnership or trust, a director may be an officer, partner or beneficiary of such Owner). If a director shall cease to meet such qualifications during his term; he will thereupon cease to be a director and his place on the Board shall be deemed vacant..

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Corporation, and may do all such acts and things as are not by law or otherwise directed to be exercised and done by the Members. The powers of the Board of Directors shall include, but not be limited to, all of the rights and duties of the Board of Directors as set forth elsewhere in these Bylaws, the Articles and the Declaration and shall also include the power to promulgate such rules and regulations pertaining to the rights and duties of Members of the Corporation, and all other matters, as may be deemed proper and which are consistent with the foregoing. The Board of Directors may delegate to one or more committees thereof, and to other persons, such duties and powers, all as appears to the Board of Directors to be in the best interests of the Corporation and to the extent permitted by law.

Section 3. Election and Term of Office. . Directors elected by the Members after the date of this Amendment shall serve staggered terms as follows:

- a. Beginning with the first Annual Meeting to occur following adopting of these Amended and Restated Bylaws (“Year 1”), the Board shall be composed of seven (7) total Directors, with four (4) seats being up for election. The three candidates receiving the highest number of votes will each be elected to serve three (3) year terms. The candidate receiving the fourth highest number of votes will be elected to serve a two (2) year term.
- b. At the Year 2 Annual Meeting, three seats on the Board will be up for election. The two candidates receiving the highest number of votes will each be elected to serve three (3) year terms. The candidate receiving the third highest number of votes will be elected to serve a one (1) year term.
- c. At the Year 3 Annual Meeting, two seats on the Board will be up for election. The two candidates receiving the highest number of votes shall be elected to serve three (3) year terms.
- d. Thereafter, in each election, the candidates receiving the highest number of votes shall be elected to serve three (3) year terms, and all elections and appointments of Directors under these Bylaws shall be made in a manner to preserve the staggering of terms contemplated hereby.

Section 4. Vacancies. Vacancies on the Board of Directors caused by any reason shall be filled by vote of the majority of the remaining directors even though less than a quorum, or by the remaining director if there be only one, and each person so elected shall be a director until his successor is duly elected by the Owners and shall qualify.

Section 5. Compensation. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid to a director for services performed by him for the Corporation in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. Directors

and officers, however, may be reimbursed for any actual expenses incurred in connection with their duties as such officers or directors.

Section 6. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two such meetings (including an organizational meeting within ten days of election of directors by the Owners) shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or email, at least forty eight hours prior to the day named for the meeting.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President or Secretary on forty eight hours' notice to each director, given personally or by mail, telephone, or email, which notice shall state the time, place and purpose of the meeting. Upon the written request of at least two of the directors, special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice.

Section 8. Waiver of Notice. Before, at, or after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be deemed to be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

Section 9. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time. Every act or decision done or made by a majority of the directors at a duly held meeting at which a quorum is present shall be regarded as the act of the Board unless the Articles, the Bylaws or the Declaration otherwise specifically requires the affirmative vote of a different number of directors on a specific matter.

Section 10. Adjournments. The Board of Directors may adjourn any meeting of the Board of Directors from day to day or for such other time as may be prudent or necessary in the interests of the Corporation, provided that no meeting may be adjourned for a period longer than 30 days.

Section 11. Fidelity Bonds. The Board of Directors may require, in its discretion, and shall require to the extent required by the Declaration, that all officers and employees of the Corporation and all other individuals handling or responsible for the Corporation's funds shall furnish fidelity bonds. In the event such bonds are required upon determination of the Board of Directors, the premiums therefor shall be paid by the Corporation.

Section 12. Committees. The Board of Directors may by resolution appoint committees of the Board, which committees shall have the powers and authority designated in the resolution or resolutions establishing them.

a. Golf Course Relations Committee. The Board shall, by resolution, appoint a Golf Course Relations Committee. The Golf Course Relations Committee shall be composed of at least one Member, and shall be responsible for meeting, on a monthly basis, with the Person or entity, or the designated agent of the Person or entity, that owns the portion of the Property that was developed as a golf course. Following each monthly meeting, the Golf Course Relations Committee shall prepare a written summary of the meeting and provide the summary to the Board.

Section 13. Powers and Duties. Except as expressly set forth in the Declaration, the Articles, these Bylaws or by statute, all the powers and duties of the Association shall be exercised by the Board, which shall include, without limitation, the authority, but not the obligation, to suspend the voting rights and rights to use of Common Areas of any Owner in default in the payment of any Regular or Special Assessment. Such voting and use rights may also be suspended by the Board after notice and a hearing, for a period not to exceed 60 days for an initial infraction or one year for any subsequent infraction of rules and regulations adopted by the Board in accordance with the Declaration.

ARTICLE IV Officers

Section 1. Designation. The principal officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The directors may appoint an Assistant Secretary and an Assistant Treasurer, and such other officers as in their judgment may be necessary. Only a director may hold the office of President. Any one person may hold two or more offices at the same time, except that no one person shall simultaneously hold the office of President and Secretary.

Section 2. Election of Officers. The officers of the Corporation shall be elected from time to time by the Board of Directors.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected.

Section 4. Resignation of Officers. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of 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.

Section 5. Vacancies. A vacancy in any office may be filled by vote of a majority of the Board of Directors. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6. President. The president shall be the chief executive officer of the Corporation. He shall preside at all meetings of the Owners and of the Board of Directors. He shall have all of the general powers and duties which are normally vested in the office of the President

of a corporation, including, but not limited to, the power to appoint committees from among the Members of the Corporation from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Corporation.

Section 7. Vice President. The Vice President (or the most senior Vice President, if there shall be more than one) shall take the place of the President and perform his duties whenever the President shall be absent, unable to act or refuses to act. If neither the President nor a Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. A vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 8. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Owners; he shall have custody of the seal of the Corporation; he shall have charge of the membership books and such other books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 9. Treasurer. The Treasurer shall have the responsibility for the Corporation's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Corporation. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Corporation in such depositories as may from time to time be designated by the Board of Directors.

Section 10. Compensation. No compensation shall be paid to officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the Corporation in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.

ARTICLE V Miscellaneous

Section 1. Books and Accounts. The Board, at all times, shall keep, or cause to be kept by the Treasurer, true and correct records of account in accordance with generally accepted accounting principles. Subject to the disclosure exceptions established by Arizona law, the Association shall, upon reasonable written request and during reasonable business hours, make available for inspection by each Owner the books, records and financial statements of the Association together with current copies, as amended from time to time, of this Declaration and the Articles, Bylaws, Association Rules and Design Guidelines, which the time period established by Arizona law. For purposes of this provision, the "books, records and financial statements of the Association" are deemed to include only the following: the Declaration, Articles, Bylaws, Association Rules and Design Guidelines, Resolutions of the Board, Meeting Minutes from Open Board Meeting, Membership Meeting Minutes, audio or videotape recordings of Meetings (if any), a Membership List, accounting records, financial statements, notices and written communications sent to members, newsletters, meeting notices, ballots, envelopes and sign-in sheets, if used, in relation to an election, violation notices, account ledgers, vendor contractors and Lot files.

Section 2. Execution of Corporation Documents. With the prior authorization of the Board of Directors, all notes, checks and contracts or other obligations shall be executed on behalf of the Corporation by such officer or officers of the Corporation as said Board shall designate.

Section 3. Fiscal Year. The fiscal year of the corporation shall be November 1 through October 31, or such other period as the Board of Directors may deem appropriate.

Section 4. Conflict in Documents. In the case of any conflict between the Articles and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws, or between the Articles and the Declaration, the Declaration shall control.

ARTICLE VI
Amendment of the Bylaws

These Bylaws may be amended by the affirmative vote of a majority of the Owners. These Bylaws may not be amended insofar as such amendment would be inconsistent with the Declaration or the Articles.

CERTIFICATE OF ADOPTION

This is to certify that the foregoing Amended and Restated Bylaws were duly adopted by the affirmative vote of a majority of the Owners on the ____ day _____, 2022.

Secretary